TRADE AND INDUSTRY

30 March 1972 Volume 6 No 13 10p

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Points from the 1972 Budget

Overseas royalty transactions in 1970

New Technology looks at NPL's Open Days, mineral processing at sea and wire-reinforcement of lead

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Due to circumstances beyond editorial control, this issue of *Trade and Industry* has been restricted to 32 pages. A certain amount of regularly published material has, therefore, been held over and other items discarded. We apologise to readers for any inconvenience.

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The strategy for growth and investment

The Secretary of State for Trade and Industry, Mr. John Davies, writes:

After last week's Budget Britain is set on a course of economic growth at the annual rate of five per cent. There are strong reasons—not least our entry to the Common Market next January—why this time we have an excellent chance of maintaining rapid growth over a considerable period. And Ministers have made it very clear that we will not be deflected from policies for expansion.

By itself the massive increase in demand that will flow from tax cuts and higher pensions is not enough. We need a great leap forward in modernisation throughout Britain, coupled with a renewed attack on inflation. Only in this way can we make sufficient inroads into unemployment, improve our competitive position in home and world markets, and provide the basis for more expansion in the future.

So the Government is introducing legislation to create the most powerful system of national and regional investment incentives we have had in this country since the war. Our intention is to maintain this at least until the end of the Common Market transitional period on January 1, 1978.

The new system is simple and its benefits clear-cut. Its main feature is very substantial tax allowances on profits. But to canalise investment towards the Special Development Areas, Development Areas and the greatly extended Intermediate Areas we are providing a new type of Regional Development Grant. This will not be restricted to investment creating new employment, though clearly reducing unemployment will be one of its major aims.

We are also broadening the scope for selective help in the assisted areas as an essential and flexible complement to the basic incentives.

A Minister for Industrial Development will be responsible for these new programmes. He will take charge of an Industrial Development Executive within the DTI which will start work on April 10 and will include talent from the City and industry.

So favourable an opportunity for fast and sustained growth in the home economy is exceptional. To grasp it we shall need to change many of the attitudes which have become ingrained during the years of stagnation.

I ask every concern to take a new look at its prospective markets and then to consider urgently what investment it needs to meet them. Many will decide to modernise and expand; they will get powerful support from the new incentives.

Industrial and Regional Development

The full text of the White Paper† is as follows:

Foreword

1. The Chancellor of the Exchequer in his Budget statement on March 21, 1972 presented the broad framework of the Government's new and comprehensive programme to stimulate industrial and regional regeneration. The objectives of the programme are to promote and sustain faster economic growth; to secure the expansion and modernisation of British industry; to attack the continuing and serious problems of regional imbalance, and to assist industry to meet the challenge of Europe.

2. The new programme has a series of related elements—the pursuit of general economic policies favourable to industrial confidence and enterprise; new national and regional investment incentives; a new framework for the provision of special Government assistance; special measures for the retraining and mobility of labour; measures to simplify and speed the administration of controls as they affect industry; further steps to improve infrastructure; and more effective and direct mobilisation of resources in support of the assisted areas. The aim throughout has been to combine effective action with all possible simplicity and certainty in operation.

3. The Government will introduce at an early date the legislation needed to implement the proposals in this White Paper.

† Industrial and Regional Development, Cmnd 4942, HMSO 13p.

Introduction

Economic Performance

4. The economic performance of the United Kingdom has been falling behind that of other major industrialised countries for a long time. Our rate of growth has been comparatively low. Modernisation has lagged. Productivity has been slow to rise.

5. The Government's overriding purpose is to achieve a sustained and high rate of national economic growth. The successful negotiation of membership of the European Economic Communities provides a necessary and important framework of new opportunities for this. A wealthy and expanding market of some 290 million people will now be available to British industry and commerce. If however the opportunity is to be effectively seized we must devote a major effort to improving our industrial base. The conditions for achieving sustained growth now exist. It is a main purpose of the measures outlined in this White Paper to help British industry to seize them.

Regional Policy

6. The problem of the older industrial areas is deep-seated and long term. Its most serious symptom is the high level of unemployment, but there are others—net outward migration, slow economic growth, derelict land, old and obsolete factory buildings and often a relatively low level of amenity. Symptoms such as these only too often turn into the causes of further decline.

7. The ending of regional imbalance has been an objective of successive Governments in the United Kingdom for nearly four decades. Much has been achieved but no solution is yet in sight. A faster rate of national growth is a necessary precondition for effective regional effort as are the growing re-

MAIN POINTS IN THE WHITE PAPER

New investment incentives

Nationally (paragraph 11)

Free depreciation for all plant and machinery.
Initial allowance for industrial buildings to be 40 per cent.

Regionally (paragraphs 12-26)

Regional Development Grants towards capital expenditure on new plant and machinery and on mining works in qualifying activities in special development areas (22 per cent rate) and development areas (20 per cent rate).
Regional Development Grants towards capital expenditure on new buildings and adapting existing buildings for qualifying activities. These grants will be payable in special development areas (22 per cent rate). Development areas, intermediate areas and for two years in derelict land clearance areas (all at 20 per cent rate).
Tax allowances to be given on the full capital expenditure even when part is financed by Regional Development Grants.
Regional Development Grants to supersede the building and operational Grants at present available under the Local Employment Acts. They will be available to firms already established in the assisted areas on the same basis and at the same rates as to incoming firms.

New Intermediate Areas (paragraphs 27-33)

The whole of the North West and Yorkshire and Humberside planning regions outside the present development area and all the parts of Wales outside the present development area are to become intermediate areas.

Selective assistance (paragraphs 34-36)

Broadened in special development areas and development areas. It will also become available in intermediate areas and, on occasion, the rest of the country.

Shipbuilding (paragraphs 37-38)

Temporary assistance by tapering grants—10 per cent on value of contract work in 1972, 4 per cent in 1973 and 3 per cent in 1974.
Fundamental appraisal of the industry. Selective assistance will be available to provide long-term help if that is found necessary.

New organisation (paragraphs 39-47)

Minister for Industrial Development under the broad direction of the Secretary of State for Trade and Industry to be appointed. He will take charge of an Industrial Development Executive within the DTI. He will be assisted by a Permanent Secretary and a Director of Industrial Development.
An Industrial Development Board will advise the Minister on industry-wide problems and priorities, and consider major cases for selective assistance. Regional Industrial Development Boards will be formed. Regional Industrial Directors will be appointed with functions similar to those of the Director of Industrial Development in London.

Changes in controls (paragraph 48)

These include raising idc exemption limits to 15,000 sq. ft. in all areas except the South East economic planning region where the limit will be raised to 10,000 sq. ft. In the Development and special development areas idcs will be abolished.

Other points

—wider functions for DTI factory estates and more freedom for the Industrial Estates Corporations (paragraph 49).
—new grants to workers willing to move their homes or undertake substantial training courses (paragraph 54).
—as part of preparations for the European Communities, accelerated road schemes in England, Scotland and Wales (paragraphs 56-58).

sources now being applied to modernising the infrastructure and improving the environment. Even so, however, it is clear that the accumulated measures of the years are not enough. New measures to stimulate industrial growth and create fresh confidence are needed. They must be as clear, simple and certain in their impact as possible.

Basic investment incentives

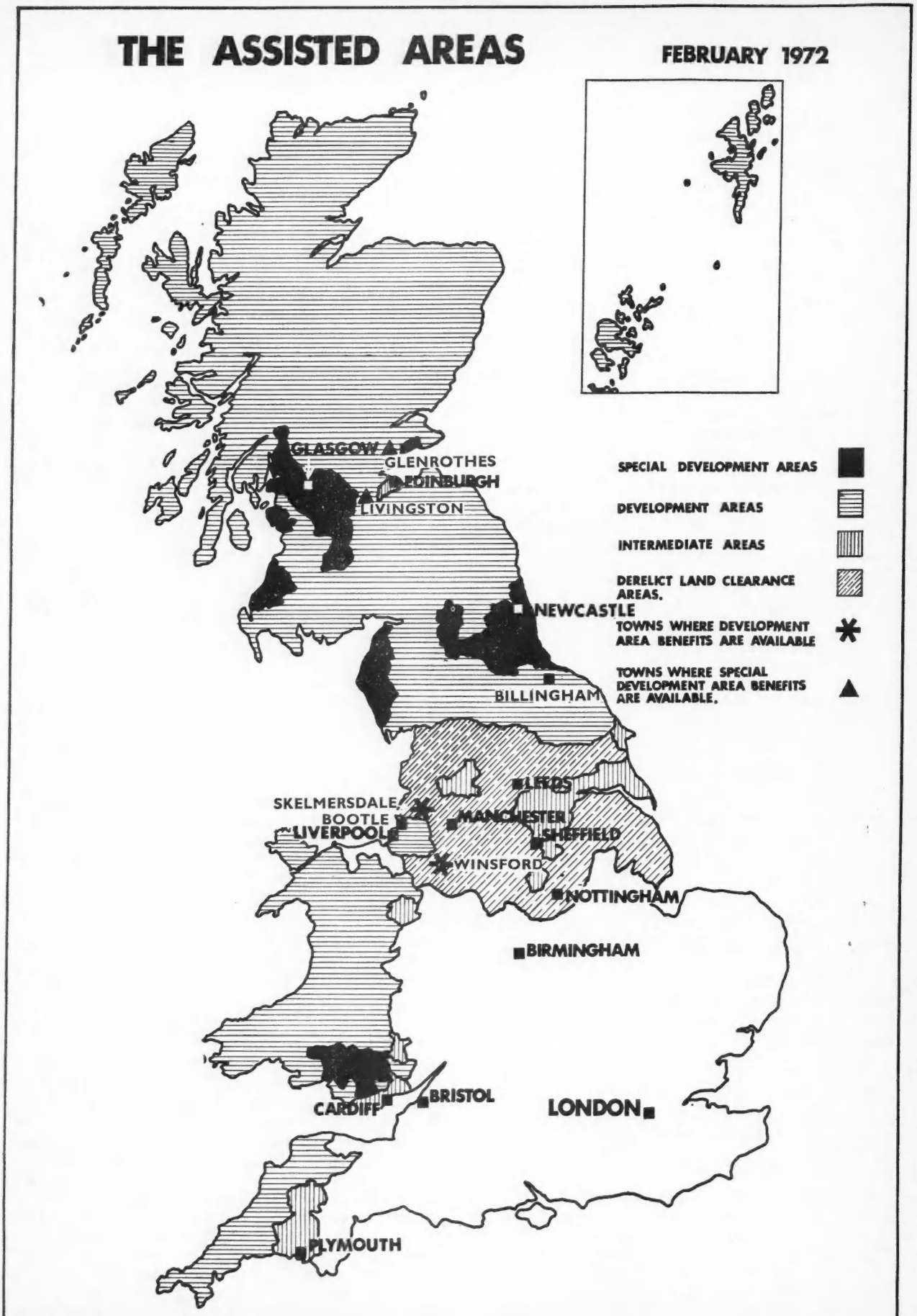
8. The new measures proposed are in two main parts. First, countrywide and improved tax allowances for investment in plant, machinery and buildings. Second, regional development grants in the form of cash payments. These will go towards capital expenditure on both new plant and machinery and buildings in the development areas and special development areas; in intermediate areas and, temporarily, in derelict land clearance areas they will go towards capital expenditure on buildings. These areas are redefined in paragraphs 28-33.

9. As a new departure, tax allowances will be given on the full capital expenditure even when part of the expenditure is financed by regional development grants. The separation of tax allowances and grants in this way will enable each to be administered independently. This will make for greater speed and simplicity and industry will know clearly what help it can expect.

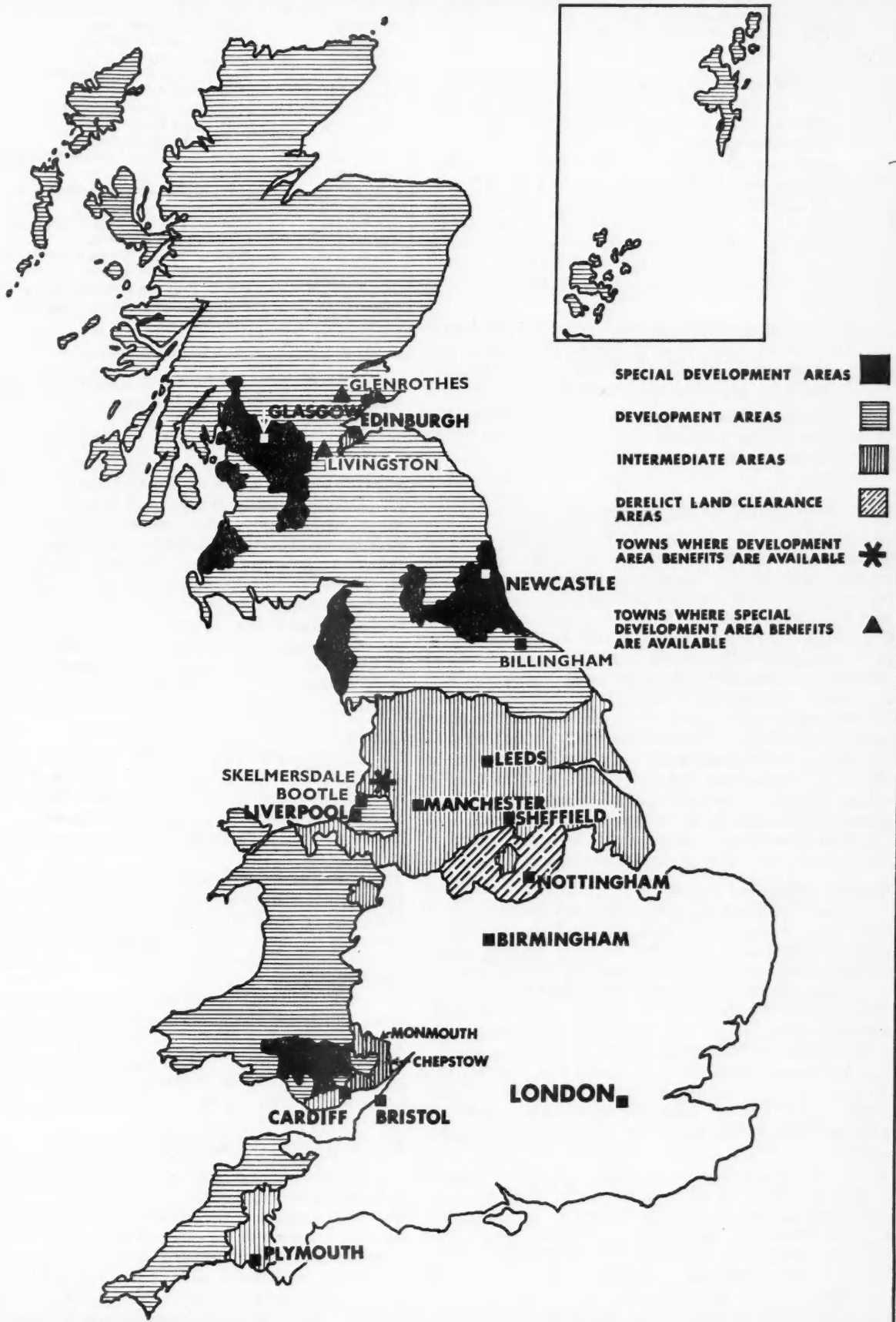
Basic national incentives

10. Since October 27, 1970 investment in machinery and plant, new or secondhand, has attracted a first-year allowance enabling 60 per cent (80 per cent temporarily from July 20, 1971) of the expenditure to be written off for tax purposes in the year in which the expenditure is incurred. The reducing balance of the expenditure is then written off at the rate of 25 per cent in later years. In development areas expenditure on new machinery and plant (not being mobile equipment) has qualified for free depreciation in the form of a first-year allowance of 100 per cent; a restriction of this allowance to machinery bought for use for industrial purposes was removed with effect from July 20, 1971. The current allowances on buildings, structures and works that are classified as industrial buildings for tax purposes comprise an initial allowance of 30 per cent

(continued on page 562)


THE ASSISTED AREAS
FEBRUARY 1972
GLASGOW
GLENROTHES
EDINBURGH
LIVINGSTON
NEWCASTLE
BILLINGHAM
LEEDS
SKELMERSDALE
BOOTLE
LIVERPOOL
MANCHESTER
SHEFFIELD
WINSFORD
NOTTINGHAM
BIRMINGHAM
CARDIFF
BRISTOL
LONDON
PLYMOUTH
SPECIAL DEVELOPMENT AREAS
DEVELOPMENT AREAS
INTERMEDIATE AREAS
DERELICT LAND CLEARANCE AREAS.
TOWNS WHERE DEVELOPMENT AREA BENEFITS ARE AVAILABLE
TOWNS WHERE SPECIAL DEVELOPMENT AREA BENEFITS ARE AVAILABLE.

THE ASSISTED AREAS - WHITE PAPER PROPOSALS



(40 per cent in assisted areas) and annual writing down allowances of 4 per cent of cost.

11. The Chancellor in his Budget speech proposed the following changes:

(*a*) free depreciation in the form of a 100 per cent first-year allowance will be available throughout the country on all investment in machinery and plant (other than passenger cars). Free depreciation will apply equally to new and secondhand equipment, whether the investment takes place in a development area or not. At the same time there will be extended to all companies the right, which was previously confined to companies in development areas, to carry back trading losses attributable to free depreciation and to set them against profits of the three preceding years.

(*b*) new industrial buildings and structures will receive an initial allowance of 40 per cent. The level of tax allowances will therefore be the same for all qualifying buildings both inside and outside the assisted areas.

The effect of these measures is to give the whole country the favourable treatment in respect of tax allowances on investment previously reserved for the assisted areas.

Basic regional incentives

12. Extension of free depreciation to the whole country means that the present differential incentive in favour of investment in the development areas will disappear. In these new circumstances the Government have decided to reinforce the incentives provided by free depreciation for plant, and a high initial allowance for buildings, by a system of cash grants in the regions only.

13. These grants will supersede the building and operational grants at present available under the Local Employment Act. Assistance under that Act is available only for projects which provide employment. This has ruled out assistance for many modernisation projects. The new grants will not be limited in this way and will, therefore, provide a major incentive for improving the efficiency and competitiveness of industry in the assisted areas. The new grants will be available to firms already established in the assisted areas on the same basis and at the same rates as to incoming firms. This will encourage development from within the areas themselves.

Regional Development Grants

14. In the special development, development and intermediate areas and, for two years, in derelict land clearance areas, regional development grants will be made towards capital expenditure on new buildings and adapting existing buildings on premises occupied wholly or mainly for carrying on qualifying activities in manufacturing, mining and construction. These activities will be, broadly, those described in Orders II to XX of the Standard Industrial Classification (see next column).

15. In the special development and development areas regional development grants will also be made towards capital expenditure on new plant and machinery and on mining works on premises wholly or mainly occupied for carrying on the same activities.

16. In the special development areas, the rate of regional development grants will be 22 per cent and in the development areas, intermediate and derelict land clearance areas 20 per cent.

17. The nationalised industries as such will not be excluded from the new arrangements, but, with the important exceptions of coal and steel, the main activities of the nationalised industries will not, in general, qualify for grant.

18. It is intended to make special arrangements for the construction industry so that grant may be paid on new plant and machinery provided for use in development areas, even though it may not be confined to premises wholly or mainly occupied for carrying on that industry.

Orders II to XX in the Standard Industrial Classification

Order II	Mining and Quarrying.
Order III	Food, Drink and Tobacco.
Order IV	Coal and Petroleum Products.
Order V	Chemicals and Allied Industries.
Order VI	Metal Manufacture
Order VII	Mechanical Engineering.
Order VIII	Instrument Engineering.
Order IX	Electrical Engineering.
Order X	Shipbuilding and Marine Engineering.
Order XI	Vehicles.
Order XII	Metal Goods not elsewhere specified.
Order XIII	Textiles.
Order XIV	Leather, Leather Goods and Fur.
Order XV	Clothing and Footwear.
Order XVI	Bricks, Pottery, Glass, Cement, etc.
Order XVII	Timber, Furniture, etc.
Order XVIII	Paper, Printing and Publishing.
Order XIX	Other Manufacturing Industries.
Order XX	Construction.

19. Where the assets on which grant may be paid are the subject of leasing or hiring arrangements (including hire purchase) the grant will be payable to the lessor or owner.

20. The agricultural, forestry and fishing industries will not qualify for grants as these are already assisted by Government schemes. The Agricultural Ministers will be keeping under review the assistance provided under these schemes.

21. Grants will not, in general, be made to local authorities but they will be available on new industrial buildings which local authorities lease to an occupant in a qualifying activity.

22. Pipelines and most vehicles will not be eligible.

23. It is intended that grants will not be made on individual items of plant and machinery costing less than £100 or on individual building schemes costing less than £1,000.

Starting date

24. Capital expenditure on plant, machinery and mining works incurred before March 22, 1972 and capital expenditure on buildings started on site before that date will not be eligible for regional development grants nor will expenditure on which investment grant under the Industrial Development Act 1966 is made.

25. Consideration will be given to applications for building grant under the Local Employment Act received before March 22, 1972 and to applications received after that date in respect of buildings on which any expenditure was incurred under a contract entered into before that date in the then existing assisted areas.

26. As it presses ahead with new investment, industry should retain all relevant documents so that applications for the new grants can be made as soon as Parliament has passed the necessary legislation. The Department of Trade and Industry will announce as soon as practicable further details of the new arrangements, including those for making applications.

Boundaries of Assisted Areas

27. As part of the present review the Government have re-examined these boundaries.

28. The Government have concluded that there should be no significant changes in the extent of the existing development areas and special development areas at the present time.

29. There are, however, wide areas outside the development and special development areas facing problems, including industrial obsolescence, which merit special consideration. This need is already recognised by the designation of some parts of

them as intermediate areas and by the much more extensive derelict land clearance areas.

30. The Government now propose to extend intermediate area status to the whole of the North West and Yorkshire and Humberside planning regions outside the present development areas as recommended by the Hunt Committee. Those parts of Wales which are not already assisted areas will be designated as intermediate areas. The town of Winsford which has hitherto been treated as a detached part of the Merseyside development area will form part of the new intermediate area; regional employment premium will, however, continue to be paid there.

31. Intermediate areas so extended will qualify for the regional development grant in respect of buildings but not for plant and machinery. The special temporary improvement grants available under the Housing Act 1971 will be extended to the new areas.

32. In the remainder of the derelict land clearance area lying in the North Midlands the Government propose to make the new grant in respect of buildings available for a period of two years from March 22, 1972.

33. The table at Annex B sets out the types of assistance to be available in the various areas which are themselves shown in the panel below.

Selective assistance—regional and national

34. Selective assistance is at present available for investment in the development and the special development areas under the Local Employment Act. But it has to be directed almost wholly to projects providing additional employment. Such help needs to be available as well for the modernisation of industry. This form of help should also be available in intermediate areas. The Government will seek fresh powers for these purposes.

35. This form of regional assistance will be administered as soon as possible by the new Executive described in paragraphs 39-46 below. The effect will be to broaden the scope for selective assistance as an essential and flexible complement to basic incentives, and increasingly to concentrate responsibility for its administration in the regions themselves so that the fullest account is taken of regional needs, and the fullest use made of regional experience, knowledge, and enthusiasm. Thus the regions will be encouraged to play a much fuller and more direct part in their own development.

36. On occasion, particularly in view of our entry into Europe, it may be necessary to consider the wider structure of an industry or a major project beyond the boundaries of the assisted areas. The Government will seek new powers also to provide selective assistance more widely in such cases. This would not be intended in any way to replace existing private sources of industrial finance.

THE NEW INVESTMENT INCENTIVES

Taxation allowances countrywide

All plant and machinery (new and second-hand—other than passenger cars), for use in both services and manufacturing.	First-year allowance 100 per cent.
New industrial building and structures.	Initial allowance 40 per cent and writing down allowance 4 per cent.

Capital allowances for mining are under review.

Regional Development Grants in Assisted Areas

	Plant, machinery and mining works	Buildings
Special Development Areas	22 per cent	22 per cent
Development Areas ..	20 per cent	20 per cent
Intermediate Areas ..	—	20 per cent
Derelict Land Clearance Areas (for two years only) ..	—	20 per cent

Notes:
(1) The new grants will not be treated as reducing the capital expenditure which qualifies for capital allowances for tax purposes.
(2) Regional development grants will be made in respect of capital expenditure on new buildings and new plant and machinery and mining works on premises wholly or mainly occupied for carrying on the qualifying activities in manufacturing, mining and construction.

Shipbuilding

37. The short-term difficulties of the shipbuilding industry are urgent and immediate help is needed. Over 90 per cent of the employment provided by the main merchant shipbuilding firms is in the development areas. The long-term appraisal required will be handled as a matter of urgency by the new Executive within the Department of Trade and Industry described below.

38. In the meantime, to safeguard employment in the industry and its suppliers, the Government has decided to provide temporary assistance by offering tapering grants in the period 1972-74 in respect of the construction and equipment of new ships over 100 gross tons (except for ships for use by the Royal Navy and Government Departments). These grants to the shipbuilding industry will be at a rate of 10 per cent on the contract value of work carried out in 1972, and at rates of 4 per cent and 3 per cent in 1973 and 1974 respectively. The cost will depend upon the level of activity in the industry and the contract prices of ships under construction during 1972 to 1974. One of the major factors affecting the performance of this industry is the state of its industrial relations and successful reconstruction of the industry must be based on the assurance that there will be full co-operation between employers and unions and a readiness on the part of both to join with the Department of Employment in discussions about the necessary measures to improve industrial relations.

Industrial Development Executive

39. The Prime Minister will be nominating a Minister for Industrial Development under the broad direction of the Secretary of State for Trade and Industry. He will have special responsibility for private sector industry generally and for industrial development in the assisted areas. He will carry out his responsibilities in particularly close association with the Secretary of State for the Environment and the Secretaries of State for Scotland and for Wales. He will be supported by a Parliamentary Under Secretary of State.

40. The Minister will take charge of an Industrial Development Executive outlined in Annex D. This Executive will include the Divisions of the Department of Trade and Industry concerned with regional development and small firms, and the Department's regional offices. It will be responsible for the new regional development grants. The Divisions dealing with specific sectors of private industry are an essential part of the base for tackling regional industrial development as well as national growth and expansion and will, therefore, be included in the new Executive. The Government intend to start creating the new Executive at once and to bring it fully into being at the earliest possible moment.

41. The Minister will be assisted by a Permanent Secretary, who will also be the Accounting Officer, and a Director of Industrial Development. The Director will rank as a Permanent Secretary and will be appointed from the private sector. Within the Executive a Development Unit will also be set up to help with the appraisal and implementation of industrial development needs. The new Executive will recruit staff from the City

(continued on next page)

and from industry as necessary to provide a full range of financial, industrial and administrative expertise.

42. The Minister will be advised by an Industrial Development Board which will comprise within its membership prominent persons in industry, banking, accounting and finance, and international industrial investment with particular emphasis on relations with Europe. The Board will be available to advise generally on industry-wide problems and priorities, and to consider specific major cases for selective assistance.

43. A strong regional organisation based on the regional offices of the Department of Trade and Industry will be an essential part of the new Executive in the assisted areas. This organisation will have a new positive role in promoting industrial expansion and modernisation, and in stimulating centres of growth. It will have an important degree of devolved authority. It will co-operate closely with local authorities and other bodies and agencies, and provide advice and assistance to industry across the whole field of responsibility of the Department of Trade and Industry. It will have full and direct access to the industrial and financial expertise within the Industrial Development Executive.

44. In Scotland and Wales, the Northern, the Yorkshire and Humberside and the North West Regions, Regional Industrial Directors will be appointed with similar functions at regional level to those of the Director of Industrial Development at headquarters with whom in particular they will maintain close links. Regional Industrial Developments Boards will be set up to advise generally on regional industrial opportunities and in due course on applications for selective financial assistance for the development of industry in their regions. In Scotland and in Wales these new appointments will be made in consultation with the Secretaries of State for those countries. The new organisation in Scotland and in Wales will work in the closest touch with the Scottish Office and the Welsh Office to ensure the full integration of development policies overall. In the English regions there will be similar close relations with the regional offices of the Department of the Environment.

45. Similar arrangements will be made for the South West Region, and a new office will be established in Plymouth so that the problems of the assisted areas in the South West can be more effectively assessed.

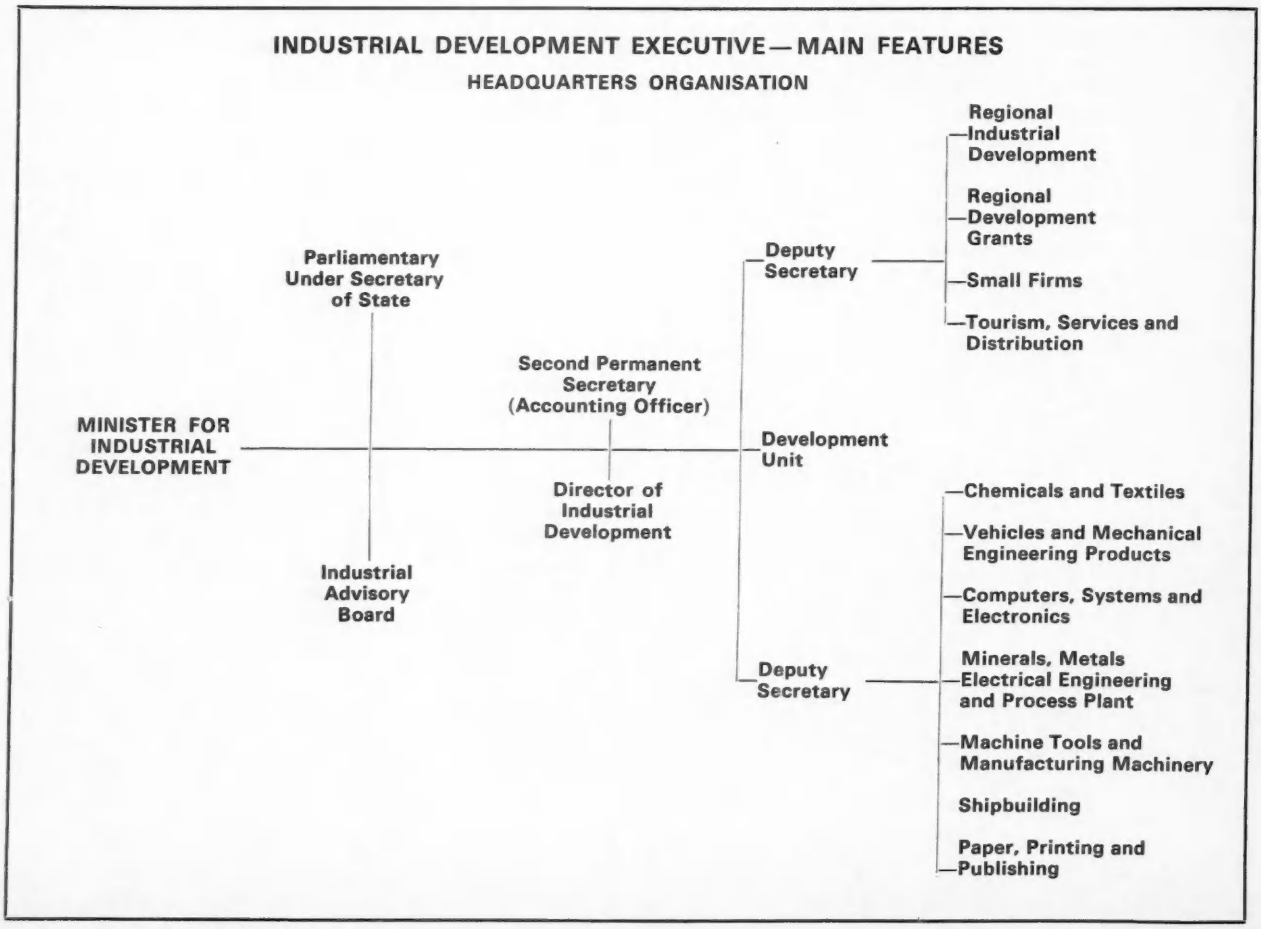
46. The administration of the regional development grants will be undertaken from offices located in Billingham, Bootle, Cardiff and Glasgow.

47. The existing Regional Economic Planning Councils and the Boards associated with them will continue in being. The links between them and the regional offices of the Department of Trade and Industry will, however, be strengthened so that the process of industrial regeneration in a region and the overall planning of its land use and other physical resources are properly co-ordinated. The Scottish Economic Council and the Welsh Council will continue to discharge their existing consultative and advisory functions towards their respective Secretaries of State in this and in other fields.

Adaptation of controls

48. In order to remove impediments to industrial development the Government have decided on the following measures:

(*a*) *Planning applications for industrial development.* The Secretary of State for the Environment and the Secretaries of State for Scotland and Wales are making special arrangements within their Departments to ensure that planning applications and appeals relating to major



industrial building proposals are considered more quickly; local authorties are being asked to adapt their procedures to give such cases priority. This will not affect the criteria by which decisions are reached under the Planning Acts to which no change is proposed.

(*b*) *Industrial Development Certificates.* The existing exemption limit, below which industrial development certificates are not required, is 10,000 sq. ft. except in the South East, East Anglia and the Midlands where the limit is 5,000 sq. ft. The exemption limit will be raised by Order to 15,000 sq. ft. in all areas except the South East Economic Planning Region where the limit will be raised to 10,000 sq. ft. It is also proposed to dispense with the need for industrial development certificates in the development and special development areas. Elsewhere, industrial development certificates will be more readily granted than hitherto for schemes of factory modernisation which involve some increase in the number of employees. These changes will provide greater flexibility and scope for modernisation while still retaining the essential purpose of the idc control which is to seek to divert potentially mobile industrial projects to the areas of greatest employment need.

(*c*) *Office Development Permits.* There is no case for removing this control in view of the planning pressures in the South East. But in the administration of the control special account will be taken of the importance of enhancing the prospects of London as an international financial and commercial centre.

Department of Trade and Industry Factory Estates

49. Under the present law the Department of Trade and Industry may purchase land and construct factories for projects providing employment but not for the rehousing of existing industry in modern premises. It is proposed to remove this constraint. It is also proposed to enable the three Industrial Estate Corporations which manage the Department's estates more freedom than hitherto to manage, by agreement, factories and estates owned by other public authorities.

Regional employment premium

50. As the Chancellor of the Exchequer indicated in his Budget statement, the regional employment premium will be phased out over a period from September 1974. The rate and method of phasing out will be announced in due course in the light of the circumstances at the time and after consultation with industry.

Re-employment and mobility of labour

51. The Government have already taken a series of measures designed to improve the working of the labour market.

52. The Employment Service is being modernised and the Government has embarked on a major programme to expand the training facilities which will be available to individuals through a new Training Opportunities Scheme. The target is to provide training opportunities for 100,000 people a year and at least 60,000 to 70,000 by 1975 as compared with less than 20,000 in 1971. This programme will involve additional expenditure on training centres and allowances to trainees of the order of £100 million in total over the next four years. A plan to establish a new Central Training Agency is under discussion and this Agency, if established, would maintain close liaison with the new Industrial Development Executive

(*continued on next page*)

Industrial Development Executive appointments

THE Industrial Development Executive will be brought formally into being on April 10.

The following appointments, made by the Secretary of State for Trade and Industry with the approval of the Prime Minister, were announced on March 22.

Industrial Development Executive

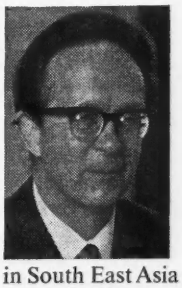
Second Permanent Secretary: Mr. Jack Rampton, CB

Director of Industrial Development: Mr. Lawrence Tindale, CBE

Industrial Development Board

Chairman: Mr. Gordon Richardson, MBE

The Deputy Secretary responsible for the private industry sector of the Executive will be **Mr. R. H. W. Bullock,** CB.



Mr. Jack Rampton, 51, has been a Deputy Secretary since 1968. He has been in charge of DTI divisions dealing with regional policy, and general industrial, commercial and competition policy. Mr. Rampton joined the Treasury in 1941. He was Private Secretary to two Chancellors of the Exchequer and was Financial Adviser and Treasury Representative in South East Asia from 1959 to 1961. From 1968 he served in the Ministry of Power and the Ministry of Technology, dealing with the coal, electricity, steel and oil industries.

Mr. Lawrence Tindale is Director and General Manager of the Industrial and Commercial Finance Corporation Limited. He is also a Director of Technical Development Capital, Industrial Mergers Ltd., Scottish Industrial Finance, a director of other companies and chairman of the Economic Development Committee for the Mechanical Engineering Industry. He is a member of the Executive Committee of the Issuing Houses Association, a member of the CBI Small Businesses Council and was a member of the Bolton Committee of Inquiry on Small Firms. Born in 1921, Mr. Tindale qualified as a Chartered Accountant in 1946 and became a partner in McClelland Ker, later McClelland Moores, in 1951. He joined the ICFC in 1959.

Mr. Gordon Richardson is Chairman of Schroders Limited. He is also a Director of the Bank of England, a Director of Rolls-Royce (1971) Limited and a member of the National Economic Development Council. Born in 1915, Mr. Richardson was called to the Bar in 1946. He joined the industrial and Commercial Finance Corporation Limited in 1955 and became a member of the Board of J. Henry Schroder and Company Ltd. in 1957.

to ensure that the developing needs of industry were met by the training facilities provided.

53. Schemes for helping firms in assisted areas with the training of their workers have been improved. Grants are now given to firms which provide additional jobs in assisted areas and the weekly rate of grant has been increased from £10 a week for men to £15 and from £7 a week for women to £12 for the period during which they are being trained. A new scheme of grants to firms which are prepared to retrain workers who would otherwise be made redundant has also been introduced. In 1971 a new grant was introduced in the assisted areas to firms who engage and train workers over 45 who have been unemployed for at least eight weeks. The grant covers the period of training and these rates also have been increased to £15 for men and £12 for women.

54. The Government now also intend to give more help to workers who are willing to move their homes to have a better chance of a satisfactory job. This will be done by making the Resettlement Transfer Scheme more attractive for workers who live in the assisted areas and move their home to get a new job, and also for people who undertake substantial courses of training under the Training Opportunities Scheme and have to move in order to get a job in which they can use their new skills. For trainees the previous grant of £100 to meet miscellaneous expenses involved in the move will be replaced by a new rehousing grant of £600. This will be available for six months after the end of the training course for workers anywhere in the country who need to move. A rehousing grant of £400 will also be available for workers whose home is in the assisted areas and move to get a new job whether within the assisted areas or outside them. Other improvements in the benefits available under the Scheme are also being introduced. These new levels of assistance are intended to help those who are prepared to accept the substantial upheaval of moving home to get employment.

55. Taken together, these measures are designed to make a major impact on our ability to deal with the labour problems of structural change, particularly in the assisted areas, and to enable workers to participate more fully in the regeneration programme.

Communications and Europe

56. Efficient and speedy communications will be a key element for competitive success of British industry within the Community. The substantial investment now under way in ports giving access to Europe should provide ample port capacity. The strategic road programme announced by the Government last June is designed to provide a network of motorways or other modern high-speed roads linking all main industrial areas and provide comprehensive improved access routes from the network to all the major ports. The Government has decided to accelerate as much as possible the improvement of the roads to Tilbury, Felixstowe/Harwich and Hull, and the construction of the motorways between Birmingham and Nottingham and between Coventry and Leicester. The completion of these schemes will significantly reduce journey times on these routes which are very important to industrial traffic.

57. In Scotland, where access to and improvements of east coast ports is of particular significance in the context both of our entry to Europe and the exploitation of North Sea oil potential, the Government have decided to accelerate the improvement of the main routes between Central Scotland, Perth and Invergordon, and between Dundee and Aberdeen. Substantial investment is being undertaken in Scottish east coast ports and further projects are now under consideration.

58. In Wales, additional funds will be made available for development and the completion of certain important strategic routes, including in particular the extension of the M4 westwards across South Wales.

Value of main measures

59. The total value to industry in any year is directly linked to their response to the new incentives. However, the extension of free depreciation and industrial building allowances to the whole country is estimated to cost £115 million in 1973/74 in line with the forecast for economic growth set out in the Budget speech, rising to £450 million in 1975/76. The regional development grants are estimated to amount to about £250 million in 1973/74, rising to about £300 million in 1975/76. The production grants for shipbuilding in the period up to 1974 will cost up to £50 million, the bulk of it concentrated in the development areas. In addition, selective assistance will continue to be available to industry in the development areas and also more widely.

Conclusions

60. The new programme re-affirms the Government's determination to provide a substantial and lasting impetus to profitable industrial expansion, modernisation and regional regeneration, and to a higher growth rate for the seventies. In order to give industry the confidence it requires to invest, the Government intend to maintain the new system of incentives at least until the transitional period of entry to Europe is over, ie to January 1, 1978.

The new Intermediate Areas

THE following is a list of the new Intermediate Areas:

The Yorkshire and Humberside Intermediate Area consisting of the employment exchange areas of:

Attercliffe
Barton-on-Humber
Batley
Bradford
Brighouse
Chapeltown
Dewsbury
Driffield
Elland
Gainsborough
Grimsby
Halifax
Harrogate
Haworth
Hebden Bridge
Horncastle
Horsforth
Huddersfield
Keighley
Leeds
Louth
Mablethorpe
Morley
Otley
Pocklington
Ripon
Rothwell
Scunthorpe
Seacroft
Selby
Sheffield
Shipley
Skegness
Skipton
Sowerby Bridge
Spen Valley
Stanningley
Stocksbridge
Tadcaster
Wetherby
Woodhouse
Yeadon (formerly Guiseley)
York

The North West Intermediate Area consisting of the employment exchange areas of:

Altrincham
Ashton-in-Makerfield
Ashton-under-Lyne
Atherton and Tyldesley
Bamber Bridge
Blackpool
Bolton
Bury
Buxton
Chapel-en-le-Frith
Chester
Chorley
Clitheroe
Congleton
Crewe
Denton
Eccles
Failsworth

Farnworth	Ormskirk
Fleetwood	Preston
Glossop	Prestwich
Golborne	Radcliffe
Heywood	Ramsbottom
Hindley	Rochdale
Horwich	Royton
Hyde	Saddleworth
Irlam	Salford
Kirkham	Sandbach
Lancaster	Shaw
Leigh	Skelmersdale (excluding that part which lies within the designated area of Skelmersdale New Town)
Levenshulme	
Leyland	
Littleborough	
Lytham	Southport
Macclesfield	Stalybridge
Manchester	St. Anne's-on-the-Sea
Marple	Standish
Middleton	Stockport
Middlewich	Stretford
Morecambe	Swinton
Mossley	Thornton Cleveleys
Nantwich	Warrington
New Mills	Westhoughton
Newton Heath	Wigan
Newton le Willows (formerly Earlestown)	Wilmslow
	Winsford*
Northwich	Withington
Oldham and Chadderton	Worsley
Openshaw	Wythenshawe

The North Wales Intermediate Area consisting of the employment exchange areas of:

Buckley	Llandudno
Colwyn Bay	Mold
Flint	Rhyl
Holywell	Shotton

The following employment exchange areas to be added to the **South East Wales Intermediate Area:**

Chepstow	Monmouth

* The town of Winsford which has hitherto been treated as a detached part of the Merseyside development area will form part of the new intermediate area; regional employment premium will, however, continue to be paid there.

Four new Regional Directors appointed

FOUR new Regional Directors, up-graded to Under-Secretary level, for Wales, and the Northern, the Yorkshire and Humberside, and the North Western regions have been appointed by the Department of Trade and Industry. An appointment at the same rank was recently made in Scotland.

The new Directors are:

Wales	Mr. P. B. Hunt
Northern Region	Mr. R. E. Dearing
Yorkshire and Humberside Region	Mr. J. H. McEnery
North Western Region	Mrs. P. B. M. James

Mr. John Warne is the Regional Director in Scotland.

In the South West a new DTI office will be established in Plymouth to carry out regional industrial development work there.

The Directors will be closely involved in the work of the new Industrial Development Executive announced in the White Paper (*Cmnd.* 4942). In conjunction with the Regional Industrial Directors who are to be appointed from the private sector and the new Regional Industrial Development Boards, they will be responsible for helping to promote industrial expansion and modernisation and in stimulating centres of growth, and will have an important degree of devolved authority in carrying forward the White Paper's policies on regional and industrial growth. They will cooperate closely with Local Authorities and other bodies and agencies, and, as now, provide advice and assistance to industry across the whole field of responsibility of the department. They will have full and direct access to the industrial and financial expertise within the new executive.

Points from the 1972 Budget

THE three aims of the 1972 Budget, said Mr. Barber, Chancellor of the Exchequer, in Parliament on March 21 were:

(a) 'First, that as we set out on our European venture, British industry should have every encouragement to be efficient and forward-looking'.

(b) 'Second, that the British economy should grow at a sustained and faster rate, and so being a permanent improvement in both employment and living standards'.

(c) 'Third, that we should make further progress with taxation reform, so as to evolve a system which is more just, and a system which over the years and decades ahead will help to create a greater national wealth'.

This is our purpose', said Mr. Barber at the conclusion of his Budget speech, 'To revitalise British industry so that it can open up the new frontiers of Europe. To achieve a rate of growth twice as fast as in the past decade. To secure a growing prosperity which can be sustained into the foreseeable future and which will benefit all our people.'

Exchange control changes and the Voluntary Programme*

In this speech the Chancellor first surveyed recent economic developments and the economic outlook for the future. The year, he said, had been 'dominated by the twin evils of inflation and unemployment'. The Balance of Payments surplus last year was £952 million and official reserves had doubled. A continuing surplus was expected this year. He then announced changes effective from March 22 in exchange control rules for direct investment, including the introduction of the main relaxations towards the EEC countries, Denmark, and Norway, which the UK Government has undertaken to introduce on or before accession. The changes are designed to encourage inward investment, particularly in regions of high unemployment, and to facilitate investment between the UK and its prospective European partners. The Chancellor also announced the abolition of the Voluntary Programme of restraint on investment in developed overseas Sterling Area countries.

Inward direct investment

Subsidiaries in the UK of companies directly owned by residents of EEC countries, Denmark and Norway, and which are not indirectly owned by residents of other non-sterling area countries, may in general now borrow sterling in the UK without limit for direct (but not portfolio) investment in any part of the United Kingdom. Hitherto, they have to provide all or part of their fixed capital requirements from sources outside the UK.

All foreign-owned UK companies will now normally be

* The exchange control changes affecting inward and outward direct investment between the United Kingdom and EEC countries, together with Denmark and Norway (exchange control does not apply to the Irish Republic) represent the main steps which the United Kingdom Government undertook, in the course of last year's negotiations with the Community, to take on or by the date of accession. For inward direct investment, they bring United Kingdom arrangements into conformity with EEC directives; for outward direct investment, this is a substantial move towards conformity: 90 per cent or more by number of new investment projects in the enlarged EEC, and over 50 per cent by total value, are likely in future to be eligible for finance entirely with official foreign exchange. The UK has undertaken to complete liberalisation of outward direct investment in the Community by the end of 1974.

The relaxation in respect of inward direct investment by all foreign-owned companies within special development, development and intermediate areas is designed to remove a possible difficulty for those contemplating new investment in these areas.

The Voluntary Programme was instituted on May 3, 1966 and has been renewed in annual Budget Statements since then. Under it, companies planning direct investment in Australia, New Zealand, South Africa and the Irish Republic were asked to consult the Bank of England about the financing of any projects costing more than £25,000 in any year and, on consultation, to agree to postponement or to methods of finance (normally appropriate overseas borrowing) which would protect United Kingdom foreign exchange reserves. Investment institutions were asked to refrain from adding to their total portfolio holdings of securities of these four developed Sterling Area countries.

allowed to borrow sterling in the UK without limit for new direct investments in the areas of the United Kingdom which qualify for special Government assistance (the assisted areas).

Outward direct investment

UK firms making new direct investments in EEC countries, Denmark or Norway, will in future be permitted to use official exchange or its equivalent up to £1 million per project in any one year. Previously, official exchange was allowed (up to £250,000 or 50 per cent of total cost) only for export-promoting ('super-criterion') investments which would bring early balance of payments benefits matching the original investment. The rules governing investment in other non-sterling area countries are unchanged.

Firms wishing to take advantage of these relaxations on inward and outward investment should note that individual applications for consent continue to be required. The Bank of England issued to banks etc. amendments to Exchange Control Notices 4 and 18.

Voluntary Programme

The Voluntary Programme, instituted in 1966, is now abolished. Companies are no longer asked to consult with the Bank of England about the method of financing direct investments in Australia, New Zealand, South Africa and the Irish Republic; and the ceiling on institutions' portfolio holdings of these four countries' securities no longer applies.

Corporation tax

In the section of his Budget speech which dealt with the modernisation of industry, the Chancellor announced his choice of an imputation system of corporation tax. He had declared in his Budget speech last year his intentions to reform the corporation tax so as to remove the present discrimination against distributed profits, and a Green Paper published on Budget day 1971 (Cmnd 4630) set out the possible alternative systems, viz, the so-called 'two-rate system' and the 'imputation, system. The following notes set the essential features of the new system.

The fundamental difference between the present system and the imputation system is that under the present system the company pays corporation tax at a flat rate on all its profits, pays its dividends out of its dividends. Distributed profits bear tax in total at a higher rate than undistributed profits. Under the imputation system, the company pays corporation tax on its total profits, but when those profits are distributed among its shareholders, the shareholder is credited with an appropriate part of the company's tax.

There are five essential elements in the new system.

i The company will pay tax at a single rate on its distributed and undistributed profits. The machinery of assessment and the due date of payment will continue as they are now; generally, that is, the corporation tax will become payable nine months or so after the end of the company's accounting period.

ii Deduction of tax at source from dividends, etc., will cease. Companies will still be required to deduct income tax from interest paid and other charges, but not from distributions of profits.

iii When paying dividends, etc., the company will be required however to make an advance payment of corporation tax measured by reference to the amount of the profits then distributed.

iv The payment of advance corporation tax in relation to the dividend will confer upon the recipient of the dividend a tax credit equal to the amount of the advance payment on the dividend. The shareholder will be regarded for tax purposes as having received the sum of the dividend and the credit. The credit will however be set off against, and will satisfy, any basic rate liability on the dividend. An exempt taxpayer will be able to claim payment of his credit from the tax office.

v When the company comes to pay its corporation tax bill after the end of the year, the advance corporation tax paid in the year will be set off against the amount assessed on its income (but not on any capital gain).

The following example shows the operation of the new system. These examples assume a rate of corporation tax at 50 per cent and of advance corporation tax at 3/7ths of the dividend.

A company with income of £30,000 will be assessed at the end of the year to £15,000 corporation tax. If it pays a dividend during the year of £7,000 it will be required at that time to pay advance corporation tax of £3,000. That will be set off against its end of the year liability so that it then needs to pay only £12,000.

The shareholders will receive £7,000 with a tax credit of 3/7ths —ie £3,000. That tax credit forms part of their income but will satisfy any basic rate tax at 30 per cent. If they are exempt, they can claim their share of the credit; if they are liable at a higher rate of tax they will pay that higher rate on their share of £10,000.

Where a company now declares a dividend of £100 and pays the shareholders £70, it will in future declare and pay to the shareholder a dividend of £70.

This payment of advance corporation tax is the mechanism which links the shareholder with the company and ensures to the resident shareholder a full tax credit on all dividends. In its absence there would be problems where dividends were paid out of income which had not borne United Kingdom tax, eg because of double taxation relief, and the shareholder's credit had to be proportionately restricted or other special arrangements made.

The company will account for advance corporation tax during the year if it makes distributions, in a manner broadly modelled on the machinery now used for accounting for income tax under Schedule 9. At the end of the accounting year it will set its advance corporation tax paid against its corporation tax bill but the amount that can be set off will be limited to the amount that would be payable if the whole of the company's income for the year had been distributed—in other words, the set off of advance corporation tax will not be permitted to reduce the corporation tax bill below 20 per cent. Any excess of advance corporation tax can be carried forward to future years, or within limits, carried back.

A company with overseas income will generally be allowed to set off its advance corporation tax in the most favourable possible way: it can be set in the first place against tax on domestic income and any excess can be allocated to tax on overseas income in whatever way the company chooses in order to get the greatest benefit from double taxation relief. Overseas tax remaining unrelieved will not be available for set off against advance corporation tax. As a transitional measure the 'overspill relief' introduced in 1965 for the period 1966-67 to 1972-73 will be continued at the 1971-72 rate until 1976-77 instead of dropping in 1972-73 to one-fifth of the 1966-67 rate and then stopping.

The Chancellor announced the following special measures.

i A lower rate of corporation tax will be charged on the income of small companies, ie those with annual profits of not more than £15,000 (tapering to £25,000). On the basis of an illustrative rate of tax of 50 per cent, this lower rate would be 40 per cent.

ii The provisions for close companies are to be revised, with particular emphasis on easing the burden of shortfall.

iii A fraction of the capital gains of companies will be excluded from charge, and the remainder charged to corporation tax at the full rate. For illustrative purposes, with a corporation tax rate of 50 per cent the fraction excluded would be two-fifths.

Value Added Tax

A Value Added Tax was announced by the Chancellor and details were given in a White Paper (Cmnd 4929, price 37p from HMSO or booksellers) issued at the end of the Budget Speech. It sets out details of the Government's proposals for introducing a value added tax (VAT) on April 1, 1973, in place of both purchase tax and SET, which will then be abolished.

The White Paper describes the VAT system, the coverage and the rate structure of the tax, and gives certain information about the tax machinery which businessmen concerned with accounting for VAT will need to know in order to prepare for its introduction. The proposed VAT legislation, which will form part of the 1972 Finance Bill, is printed in full in an appendix.

VAT is collected in instalments as goods and services pass through the various stages of production and distribution to the consumer. The tax paid by a taxable person on his purchases is deductible from the tax due on his sales. The effect of this is that the taxable person pays tax only on the value he has added to the goods and services he has supplied. The total tax borne depends on the price at which the goods or services are sold to the final consumer.

The main features of the Government's VAT proposals are: A simple tax structure—only one positive rate of tax (the standard rate), a zero rate, and exemption. The intention is that the standard rate will be 10 per cent, but there is provision to set the starting level elsewhere within the range 7½ per cent to 12½ per cent should the economic situation in 1973 require it.

Tax at the standard rate will be chargeable on the supply of all goods and services in this country in the course of a business and on all imports of goods, unless the legislation specifically provides otherwise.

The zero rate will apply to exports and to food (except 'meals out' and those items now liable to purchase tax such as confectionery, soft drinks and ice cream), books newspapers (including newspaper advertising) and periodicals, coal, gas, electricity, oil and petrol, the construction of buildings, passenger transport, and drugs and medicines supplied on prescription.

Exemption will apply to land (including rents), all forms of insurance, the letter and parcel posts, betting and gaming (which already bear excise duty), finance, education and health services.

Exemption for small traders. Those traders whose business turnover in taxable supplies of goods or services (including zero rated supplies) does not exceed £5,000 a year will be exempt. They will not be required to be registered with Customs and Excise, but may be allowed to do so and come within the scope of the tax if this would be to their advantage.

The registration of taxable persons will start in October 1972. Full publicity will be given to the precise arrangements nearer the time. Registered traders will be required to keep tax accounts containing certain information, and periodically (quarterly or monthly depending on the circumstances) to make a return to Customs and Excise of the amount of tax payable or due for repayment.

VAT will be payable on imports of goods. Subject to certain conditions, importers who are taxable persons will not pay VAT at importation, but they will be required to account for it in their periodical returns. The tax will be chargeable in the normal way when the goods are disposed of subsequently in this country.

Special schemes for retailers. A range of special methods of accounting for tax will be available to retailers who deal in both zero rated goods and standard rated goods and who cannot without undue difficulty operate the normal tax rules.

Secondhand goods sold by taxable persons will in general be chargeable with tax on the selling price, but in exceptional cases, eg cars, it may possible to assess the tax on the dealer's margin.

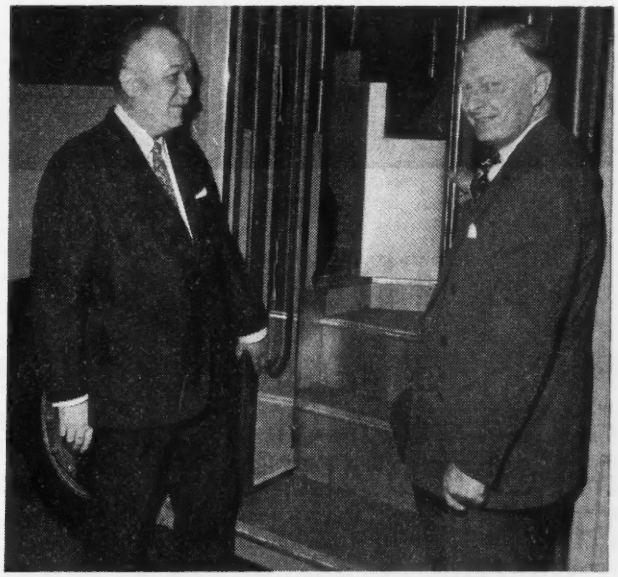
Non-deductible inputs. The right to claim credit for tax on business cars and business entertaining (other than entertaining of overseas customers) will be restricted. All countries with a VAT have found it necessary to apply some restrictions in cases where goods and services can be used for both business and private purposes.

Cars

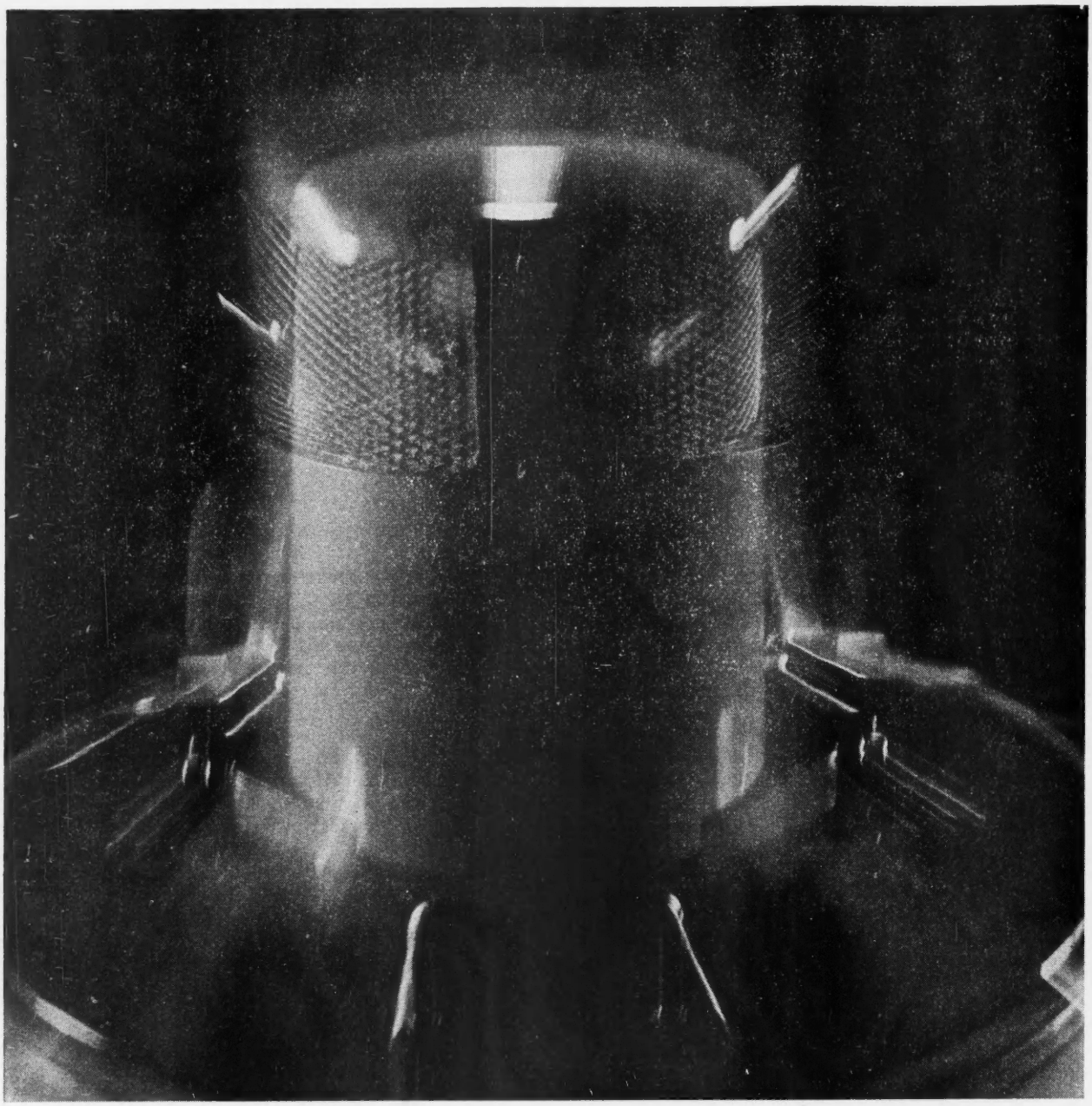
When VAT comes into operation, the Government proposes also to introduce a new tax on motor cars, at a rate of 10 per cent of the wholesale value.

Arrangements for the transition from purchase tax to VAT

The Government proposes that the problem of stocks held by retailers and others which have borne purchase tax and which, if unsold on April 1, 1973, will attract VAT should be dealt with in one of two ways. First, traders dealing in the goods listed in the White Paper, eg furs, jewellery, cars and certain other consumer durables, should by agreement with Customs and Excise use sale or return arrangements so that unsold goods on April 1, 1973 will be free of purchase tax. For all other goods purchase tax will be ended a short time before VAT comes in. This will give traders an opportunity to dispose of stocks on which purchase tax has been paid and to build up a tax free stock in preparation for VAT. A similar solution is proposed for goods chargeable with revenue duties, eg tobacco and alcoholic drinks, should these duties be reduced to take account of VAT. The timing of these changes will be announced later.



Mr. John Davies (right), Secretary of State for Trade and Industry, saw this electric bus when he opened Electrex '72 at Earl's Court last week. The bus, one of two built for the Department of Trade and Industry by Crompton Leyland Electricars Ltd. Tredegar, Mon, will go into service in Liverpool after the exhibition. The other vehicle is already operating in Leeds. Seen with Mr. Davies in the picture is Mr. N. A. N. Tomelin, secretary, Electrical Vehicles Association, Electricity Council.



Actual photograph of Cimex in action

The Cimex invasion!

FLASH · CIMEX INVASION CONFIRMED STOP MOST POWERFUL ARRAY OF FORCE EVER SEEN STOP SIGHTINGS REPORTED ALL OVER WORLD STOP IRON CURTAIN PENETRATION BELIEVED EXTENSIVE STOP TARGET NOW IDENTIFIED AS ALL MILITARY INDUSTRIAL COMMERCIAL SCIENTIFIC AND MEDICAL ESTABLISHMENTS STOP OBJECTIVE TO ELIMINATE AND DESTROY STOP MAINTAIN OPEN CHANNEL FOR UPDATE · ENDS

New Government contracts for hovercraft industry

THE Government intends to place further contracts worth £1.5 million over the next two years with the British hovercraft industry for the development and improvement of existing craft.

Announcing this in Parliament on March 20, Mr. Frederick Corfield, Minister for Aerospace, added that he expected the industry to be entirely self-supporting by the end of this period.

Mr. Corfield who was answering a Parliamentary Question asking what Government financial assistance was at present given to the hovercraft industry, said: 'Payments to the industry in this financial year amount to approximately £1.3 million. Over the next two years I intend to place further contracts worth £1.5 million with the industry, for the development and improvement of existing craft. This expenditure will be reinforced by another £500,000 to be spent within Government departments. I have made it clear that at the end of this period I expect the industry to be entirely self-supporting. There are encouraging signs that this will be so; and in this connection I would like to congratulate the British Hovercraft Corporation, Vosper Thorneycroft and Hovermarine Transport Limited on their recent sales.'

Notes

Recent sales to which the Minister for Aerospace referred in his Answer include:

British Hovercraft Corporation:

4 BH7 to the Iranian Navy
A third SRN4 to Hoverlloyd
1 CC7 for operation in Sweden
2 CC7 to the British Army
Stretching 2 SRN6 for Seaspeed.

Hovermarine Transport:

2 HM2 for passenger service in Portugal
1 HM2 to the Belgian Government.

Vosper Thorneycroft:

Lease of 2 VT1 to a Swedish operator.

The total value of these orders is approximately £9 million.

The £1.3 million paid to the industry this year includes both civil and military expenditure on contract work. Total Government expenditure on hovercraft development work amounted to £11.3 million to the end of 1971. This includes NRDC expenditure, but not the cost of purchase of hovercraft for Government research and trials.

The new contract worth £1.5 million is for development and improvement of existing craft notably the SRN4, VT1, HM2, SRN6 and CC7. These new contracts are designed to produce quieter craft giving a smoother ride and also to 'stretch' the two smaller craft—the SRN6 and CC7, so that increased capacity would make them a better commercial investment.

HM Coastguard to help in whale recovery service

HM COASTGUARD is to co-operate in a new service to save stranded whales, dolphins and porpoises.

Strandings can be reported to the Coastguards, who will immediately contact the Whale Survival Unit at Frinton-on-Sea, Essex where Cetacean experts will be ready to go to the spot. If left on the shore the animals would die but, with prompt attention by the experts, many could be saved.

The Whale Survival Unit is under the control of Mr. Reginald Bloom, formerly curator at Chester Zoo and at the Flamingo Zoo in Yorkshire. He has a team of Cetacean experts ready to travel and can draw on volunteers from Sub-Aqua Clubs. Dolphinariums in various parts of the country have offered to provide equipment.

Every year reports come in of the strandings of whales, porpoises and dolphins including mass strandings of hundreds of whales. With first-aid many can be saved and sent to sea again.

In addition to notifying the Whale Survival Unit HM Coastguard will continue to notify the British Natural History Museum in order that the animals can be identified and recorded.

Mr. Anthony Grant, Parliamentary Under Secretary of State for Trade, said: 'I welcome this move as another step towards the conservation of these animals. If stranded whales are to be saved early notification is essential and the Coastguards are in the best position to supply this'.

Proposed European Patent Office

THE Secretary of State for Trade and Industry, Mr. John Davies, gave the following answer on March 20 to a Parliamentary Question asking whether he would offer to house the proposed European Patent Office in this country:

'In 1969 we agreed to support a Dutch proposal that it should be in the Hague. We are now telling the 19 countries concerned that should the Dutch bid be unsuccessful or withdrawn, we will propose that this important European institution be sited in this country.'

A convention at present being negotiated by 20 Western European countries will provide for a European Patent Office, granting, on a single application, a patent which becomes, for the member countries, the equivalent of a nationally granted patent, and, by virtue of a Second Convention to be concluded by countries of the European Community, a unitary and indivisible patent for the whole of the Community.

The site of this Office has not yet been agreed, present offers being from Munich, The Hague and Luxembourg. In view of its functions under the second (Community) Convention it is accepted that the Office must be in a Community country. It is expected to commence operations not earlier than 1976.

In 1969 we agreed that we would support The Hague. We are now telling the potential member countries that, should the bid for The Hague fail or be withdrawn, we will arrange for suitable accommodation in the UK if the other countries agree.

The European Patent Office is intended, after an initial build-up period, to be self-supporting out of the fees it charges to patentees.

Temporary import of unaccompanied commercial trailers

THE Commissioners of Customs and Excise announce a new procedure for the duty-free temporary importation or reimportation of unaccompanied commercial trailers used in the international carriage of merchandise. (The present procedure for the clearance of accompanied commercial trailers will not be affected). The arrangement follows consultation with trade associations concerned. It came into force on March 15.

The new procedure involves a simple declaration to cover entitlement and, for temporary importations, acknowledgment of statutory conditions. The declaration covering either temporary importation or reimportation may be given on a new Form C 148 covering both types of importation or may be endorsed on the Customs entry for merchandise imported in the trailer. There is provision for use of the form as a general declaration covering repeated importations of trailers by the same importer or operator and, for this purpose, no supporting lists of trailers will be required. A declaration whether specific or general, may be made by an authorised agent on behalf of importer or operator.

Supplies of the new Form C 148 may be obtained from Custom Houses or Customs Landing Stations concerned with importations of commercial trailers.

Power to detain aircraft

AN order has been made enabling the Civil Aviation Authority to detain an aircraft pending the payment of airport charges at some Scottish airports and, subsequently, if the charges remain unpaid, to apply to the court for leave to sell the aircraft in order to obtain payment. Known as the Civil Aviation Authority Aerodromes (Designation) (Detention and Sale of Aircraft) Order 1972, it comes into operation on April 1, 1972.

The airports are:

Aberdeen	Islay (Port Ellen)	Sumburgh
Benbecula	Kirkwall	Tiree
Inverness	Stornoway	Wick

Separate regulations already ensure that interested parties receive adequate notice of a proposed application to the court and are afforded an opportunity of becoming a party to the proceedings.

Import controls on certain rare fur skins

As announced by the Parliamentary Under-Secretary of State for Trade on March 27 in the House of Commons in answer to a Parliamentary Question, the importation of certain fur skins will be prohibited on and after March 28 and certain others only permitted under individual import licence when satisfactory evidence is supplied that the animal from which the skin was taken was killed legally in accordance with local conservation requirements in its country of origin and that the skin was legally exported from that country. To assist the enforcement of these measures importers of all other fur skins will be required to make a declaration to Customs stating what the animals are from which the fur skins to be imported were obtained. These restrictions have been introduced in the interest of conserving the species concerned.

On and after March 28 it will be no longer possible to import under the Open General Import Licence the following:

Raw, tanned or dressed fur skins (other than tanned or dressed fur skins assembled in plates, crosses and similar forms) or rugs or coverlets made from fur skins of the following species:

Clouded Leopard	(*neofelis nebulosa*)
Snow Leopard	(*uncia uncia*)
Leopard	(*panthera pardus*)
Tiger	(*panthera tigris*)
Cheetah	(*acinonyx jubatus*)

Fur skins of other species except for vicuna (*vicugna vicugna*) on the import of which there is already a total ban, may be imported under the Open General Import Licence provided a declaration is made to Customs stating what the animals are from which the skins have been obtained.

Except in the case mentioned below, the importation on and after March 28 of fur skins of the Tiger, Snow Leopard and Clouded Leopard will not be permitted.

Applications to import fur skins of all species of Cheetah and of the species Leopard (*panthera pardus*) may be made to Import Licensing Branch of the Department of Trade and Industry, Sanctuary Buildings, 20 Great Smith Street, London SW1, together with satisfactory evidence that the animals from which these skins were obtained were killed legally and the skins will be or were permitted to be exported from their countries of origin. In the case of Ethiopia, Kenya, Sudan, Tanzania and Uganda, the following evidence will be necessary:

(a) Ethiopia: An export certificate issued by the Wildlife Conservation Organisation authenticated by HM Consul, Addis Ababa;
(b) Kenya: (Leopard skins only: imports of Cheetah skins will not be permitted from Kenya). A permit of lawful export authenticated by the British High Commission, Nairobi;
(c) Sudan: Certificate that the animal has been killed in accordance with Sudan Game Laws, authenticated by HM Consul, Khartoum;
(d) Tanzania certificate of ownership authenticated by the Game Division of the Ministry of Natural Resources and Tourism and authenticated by the British High Commission, Dar es Salaam;
(e) Uganda: Export Permits authenticated by British High Commission, Kampala.

Importers who wish to import the furs of the Cheetah and of Leopard species (*Panthera pardus*) from any other sources should make inquiries from Import Licensing Branch about the evidence that should be provided. In no case can any assurance be given that licences will be issued. Importers are consequently advised to ensure that a licence is issued before any of these fur skins are imported.

Applications for import licences in respect of all the skins to be controlled may exceptionally be made to Import Licensing Branch in cases where satisfactory evidence can be provided that the goods had been consigned to the United Kingdom before March 28, 1972.

ECGD appointment

The Export Credits Guarantee Department announce that the Secretary of State for Trade and Industry has appointed the Hon. Robin D. Campbell as a member of the Export Guarantees Advisory Council. Mr. Campbell is managing director of Balfour, Williamson and Co. Ltd., a subsidiary of Lloyds and Bolsa International Bank.

Applications for temporary exemption from import duty

THE Department of Trade and Industry are considering applications for the temporary exemption from import duty of the materials listed below on the grounds that these materials are not made in this country or the Commonwealth or the supply available from these sources is not substantial having regard to the existing United Kingdom demand.

Representations are invited from manufacturers in this country or agents of Commonwealth manufacturers who consider they are, or will be within a reasonable period, in a position to supply a substantial proportion of the United Kingdom demand for these materials, or who are interested in their future production.

Temporary exemptions come into effect on the operative date of the Treasury Order in which the materials are specified and normally continue until the end of the current calendar year, when they are reviewed.

Interested parties who wish to make representations should address them to Tariff Division, Department of Trade and Industry, Kingsgate House, 66-74 Victoria Street, London SW1E 6SJ, preferably through a Trade Association, giving the respective reference shown below and stating whether their names may be passed to the applicants for temporary exemption. Representations should be received by April 13.

Tariff heading	Proposed definition for tariff purposes	Applied for as	Exemption required until	Reference
29.02	1,1,1-Trichloro-2,2-di(chlorophenyl) ethane, mixed isomers	1,1-di(p-chlorophenyl)-2,2,2-trichloroethane DDT technical	December 31, 1972	13889
29.02	(±)—menthol	Racemic menthol BP	December 31 1972	13864
19.07	Matzos and matzos meal	As in previous column	December 31, 1972	12372

Visits to UK by British Overseas Commercial Representatives

THE following Commercial Diplomatic Officer is expected to be in this country shortly, when he will be available for discussion.

ROMANIA: (Bucharest) — R. M. Russell, Counsellor (Commercial in Bucharest since December 1970)

Available June/July.

British firms and organisations, other than those in the areas covered by the Department of Trade and Industry offices for the Eastern Region and the London and South Eastern Region, who wish to meet this officer to discuss specific export problems are asked to write for appointment to the appropriate Department of Trade and Industry Regional Director (Exports) stating the nature of the problem and commodities involved. (The Department's Regional Offices together with the areas covered and the appropriate office for Northern Ireland were listed on page xiviii of the supplement to *Trade and Industry* of October 21, 1971.) Those firms and organisations in the London-based Regions mentioned above (together with those in other Regions who would prefer, or who would be prepared if necessary, to meet the officer for an interview in London) should write to Tours Section, Department of Trade and Industry, Room G60, Export House, 50 Ludgate Hill, London EC4M 7HU.

Because visiting officers often have only limited time at their disposal it may not always be possible to arrange an interview. Where it is not possible, firms are reminded that the Export Services Division of the Department of Trade and Industry, Export House, 50 Ludgate Hill, London EC4M 7HU, who are in close touch with all overseas representatives can very often supply advice, or the information that applicants hoped to obtain at the interview. Outside London the Regional Offices of the Department of Trade and Industry or, in Northern Ireland, the Ministry of Commerce, Belfast, can also supply this help.

Government surplus sales

MINISTRY OF DEFENCE

April 14, 1972 Miscellaneous Stores

Location: Memorial Hall (entrance through Central Hall), High Street, Chatham

Auctioneers: Fuller Horsey Sons & Cassell (Dept. L), 52 Bow Lane, London EC4M 9ET. (Tel: 01-248 7954)

Various engineering equipment including, trailer mounted compressors; Dawson Downie water pumping set; Speedivac booster pumps; transformers; Torrance motorised plasticining mill; Coventry Climax fork lift trucks; Ingersoll Rand pneumatic portable pile driver; Pullen 10-ton towed roller; ships anodes; 9-ton steel billets etc; non-ferrous metal; electronic apparatus; cameras and photographic equipment; cine projectors; wrist watches; binoculars; Service Clothing; blankets; woollen and mixed rags; boots and shoes; curtains; carpets; rugs; furniture; kitchen utensils; rubber tyres and numerous other effects; a few machine tools including, Denham lathe; White planing machine; pneumatic saws and tools etc.

April 19/20 Miscellaneous Stores

Location: Regional Depot RAOC, Hereford

Auctioneers: Russell Baldwin & Bright (Dept. L), 20 King Street, Hereford. (Tel: 0432 4366)

Fork Lift Trucks; Pallet Transporting Trucks; Bedford 5-ton lorries with containers; Cabin trailers; Industrial Tractors; Fire Pumps; Warehouse Trailers; 6-1,000 gall. Fuel tanks; machine tools including, lathes; milling machines; grinders and hacksaws; tyres; batteries and charges; hydraulic jacks; paint spraying plants; electric cable; generator test benches, rectifiers; transformers; tentage; tarpaulin sheets; oscilloscopes; No. 7 directors; watches; compasses; binoculars; theodolites; furniture including, dressing chests; fold flat and other chairs; tables and wardrobes; 50,000 plates; carpets; cot pillow cases; greatcoats; battledress and other trousers and various clothing; white and coloured blankets; aircraft, MT, Wireless and electrical spares; scrap canvas; rags and woollens etc.

April 26 Miscellaneous Stores

Location: Auctioneers premises

Auctioneers: Woolland, Son & Manico (Dept. L), Kinterbury House, St. Andrews Cross, Plymouth. (Tel: 0752 69292)

Service clothing; furniture; machine tools including, planing and thicknessing machine; circular saws 2ft and 3ft blades; mortising and boring machines; wooden boxes and containers; primary batteries; control units and relays; kapok floats; theodolites; monocular microscopes; and many items of other general stores.

Catalogues of the above sales obtainable from relevant auctioneers about two weeks prior to and up to date of sale, price 10p (postal order only).

DEPARTMENT OF THE ENVIRONMENT

April 11, 1972

Location: Department of the Environment Supplies Division Stores, India Pavilion, Exhibition Grounds, Wembley, Middlesex. (Tel. 01-902 4482)

Auctioneers: Messrs. Fuller Horsey, Sons and Cassell, 52 Bow Lane, London, EC4M 9ET (Tel. 01-248 7954).

Office and miscellaneous furniture, engineering, electrical, canteen, domestic and other equipment, etc.

Catalogues: price 5p direct from auctioneer.

View days: day preceding and morning of sale.

The Industrial Relations Act

On 28 February 1972, further provisions of the Industrial Relations Act came into force. Three free booklets about these and other provisions are now available.

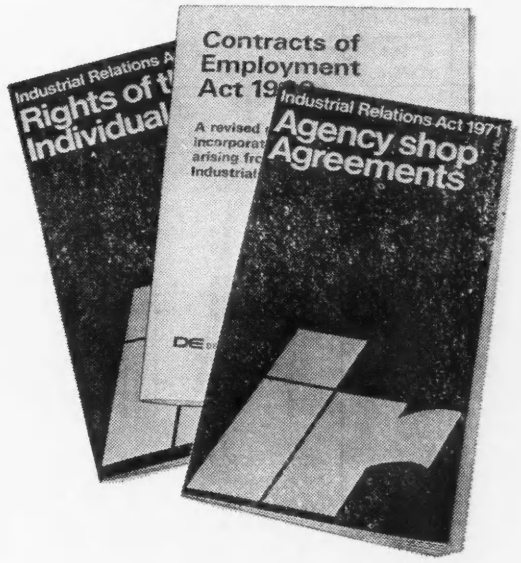
Rights of the Individual describes the protection the new law gives to employees who have been unfairly dismissed, and their new rights in the areas of Trade Union membership and activity.

Agency shop Agreements defines the conditions under which a registered Trade Union (or group of Unions) can secure an agency shop agreement and explains how these agreements will work.

Contracts of Employment Act: Revised Guide explains how the new legislation changes this Act, and affects the conditions under which employees work–including the period of notice to which they are entitled.

These three booklets are invaluable to anyone directly involved in industrial relations. They are all available from Employment Exchanges, which also carry stocks of three earlier free booklets on the Industrial Relations Act: A Guide to the Act; The Act outlined; and a booklet on Registration.

3 free booklets are now available.



Shouldn't you know more?

(Issued by the Department of Employment)

The economy: selected indicators

Series expressed as index numbers and seasonally adjusted except where shown otherwise

SYMBOLS USED IN ALL STATISTICAL TABLES—

.. not available
– nil or less than half the final digit shown
p provisional
r revised
* five week period
ø fifty-three week period

	Gross Domestic Product (Expenditure estimates)	Index of Industrial Production	Consumers' Income and Expenditure				Fixed Capital Expenditure					Increase in Stocks			
							Total	Selected Components				Total	Selected Components		
			Personal disposable income	Total consumers' expenditure		Retail sales		Manufacturing industry	Distributive and service industries	Dwellings	Public sector excluding dwellings		Manufacturing industry	Wholesalers	Retailers
	at 1963 prices		at current prices		at 1963 prices	at 1966 prices	at 1963 prices					at 1963 prices			
Base of index £m in base year	1963 26,973	1963	1963 21,763	1963 20,127	1963 20,127	1966 11,372	1963 4,912	1,070	994	944	1,752	Series in £ million			
1966	111	113.2	122	121	108	100.0	124	128	115	128	125	254	143	25	17
1967	113	113.9	127	126	110	101.4	133	124	122	138	142	184	–37	13	22
1968	116	119.8	136	135	112	103.6	139	131	144	145	142	158	23	75	41
1969	118	122.9	143	143	113	103.0	138	140	148	132	132	346	232	26	27
1970	120	124.1	156	155	116	104.2	140	152	157	119	136	260	214	42	13
1971	122	124.9	172 p	171 p	119 p	104.8	141 p	140 p	161 p	122 p	143 p	80 p	–104 p	–6 p	36 p
1969 4th qtr	120	123.3	147	147	114	102.9	139	145	153	127	133	91	74	2	—
1970 1st qtr	117	123.8	149	148	114	103.3	135	145	146	114	133	–25	42	1	–41
2nd qtr	121	123.5	155	153	116	104.2	143	153	163	119	137	103	55	12	14
3rd qtr	120	124.3	159	158	117	104.6	140	154	156	121	134	104	44	7	—
4th qtr	122	124.6	163	160	117	104.7	143	157	165	120	139	83	72	23	15
1971 1st qtr	118	124.3	164	161	115	102.1	138	146	148	114	146	82	41	2	–44
2nd qtr	121	125.2	170	170	119	104.4	142	139	164	122	141	–59	–114	12	38
3rd qtr	123	125.6	175	175	120	105.5	142	144	165	122	141	–35	–59	–12	6
4th qtr	124 p	124.3	179 p	179 p	121 p	107.4	142 p	131 p	167 p	130 p	142 p	92 p	36 p	–7 p	36 p
Jul		125 3				105.1									
Aug		125.3				106.2									
Sep		126.3				105.3									
Oct		124.7				108.4									
Nov		124.4				106.8									
Dec		123.9				107.1									
1972 Jan		124.4				107.0									

	Orders	Prices and Costs					Labour			Trade (§)		Balance of Payments current balance
	Engineering and electrical goods† orders on hand (end period)	Retail prices Index		Wholesale price index: all manufacturing industry§§		Basic hourly wage rates (all industries and services)‡	Wholly unemployed excluding school leavers	Unfilled vacancies for adults	Civil employment	Exports(¶)	Imports(‖)	
	at 1963 prices	Index‡	% increase on year earlier	Basic materials and fuel used‡	Manufactured products: home sales‡		Mid-month or monthly average		Quarter or quarterly average	at current prices		
Base of index £m in base year	Dec 1963	Jan 16, 1962		1963	1963	Jan 31, 1956	Series in thousands			1963 4,282	1963 4,362	Series in £ million
1966	115	116.5	*3.9*	108.0	109.6	168.5	323	255	24,835	121	120	83
1967	106	119.4	*2.5*	107.5	110.9	175.3	512	174	24,476	120	130	–298
1968	106	125.0	*4.7*	117.3	115 3	187.3	541	188	24,331	146	159	–291
1969	117	131.8	*5.4*	121.4	119.8	197.4	535	200	24,304	165	165	443
1970	125	140.2	*6.4*	126.2	127.7	217.7	573	186	24,135	184	181	611
1971	114 p	153.4	*9.4*	132.4	137.7	246.4	744	129		207	197	952
1970 1st qtr	118	136.2	*5.0*	126.3	124.2	209.0	557	194	24,275	181	171	218
2nd qtr	122	139.5	*5.8*	126.1	126.6	214.0	563	188	24,138	183	183	114
3rd qtr	123	141.1	*6.9*	124.9	128.7	219.5	583	185	24,072	175	178	75
4th qtr	125	144.0	*7.7*	127.3	131.4	228.3	586	176	24,054	199	190	204
1971 1st qtr	120	147.9	*8.6*	129.7	134.4	237.5	642	150	23,824	186	189	88
2nd qtr	116	153.2	*9.8*	133.1	137.2	242.4	713	128	23,782	214	199	278
3rd qtr	117	155.3	*10.1*	133.9	139.2	248.6	782	119		217	197	346
4th qtr	114 p	157.3	*9.2*	132.9	140.0	257.0	836	118		213	202	240
1972 1st qtr												
Aug	117	155.3	*10.3*	133.8	139.3	248.6	781	122		215	192	
Sep	117	155.5	*9.9*	132.5	139.5	250.0	799	115		223	203	
Oct	117 p	156.4	*9.4*	132.3	139.8	250.7	813	118		216	202	
Nov	114 p	157.3	*9.2*	132.8	139.9	257.8	840	120		200	197	
Dec	114 p	158.1	*9.0*	133.6	140.3	262.6	855	116		222	208	
1972 Jan		159.0	*8.2*	134.8 p	141.3 p	265.0	872	119		208 p	204 p	
Feb				134.0 p	142.0 p	265.3 p	872	126		211 p	216 p	
Mar												

(†) New series covering SIC Orders VII-IX; previous series also included part of Order XI. (‡) Not seasonally adjusted.
(§) On a balance of payments basis. (‖) Includes payments for United States military aircraft and other balance of payments adjustments.
(¶) Includes balance of payments adjustments and allowances for factors affecting recording.
(§§) This now includes food industries.

Overseas royalty transactions in 1970

THIS article presents figures of overseas royalty transactions in 1970, obtained from the Department of Trade and Industry's overseas transactions inquiry. The transactions covered in this article include royalties, licences, patents, trade marks, designs, copyrights, manufacturing rights and the like.

Altogether the net gain to the current account of the United Kingdom balance of payments in 1970 from such transactions was nearly £27 million, about £13 million above the level in 1969 and about £8 million above the level in 1968. Receipts from abroad rose by just over one fifth between 1969 and 1970, while expenditure abroad rose by just over 10 per cent.

Scope and coverage of the figures

The inquiry into overseas royalty transactions for 1970 was similar in scope to previous inquiries, the results of which have been published in a series of articles in the *Board of Trade Journal* on July 29, 1966, July 21, 1967, August 23, 1968, May 14, 1969 and March 25, 1970, and in *Trade and Industry* on March 31, 1971. The primary object of the inquiries is to measure the effect of royalty transactions on the United Kingdom's balance of payments, where they are included in the category, 'Other services' in the invisible account (see United Kingdom Balance of Payments 1971, Table 19). The results are also relevant to the study of technological progress and development.

The coverage of the survey has been extended to cover, among other transactions, the overseas royalty transactions of the National Research Development Corporation. This and other changes have led to the revision of some figures in earlier years.

Transactions relating to film and television rights, which are the subject of a separate inquiry, are not covered in this article, but a full account of the effect of transactions relating to cinematograph films and television on the balance of payments for 1969 and earlier years was given in *Trade and Industry* on August 5, 1971.

Although the estimates for all firms given in Table 1 are shown to the nearest £0.1 million, they are not accurate to that degree. They are based on returns from firms co-operating in the overseas transactions inquiry, though not all firms approached provided information, and a large number of firms and individuals receiving or making small payments in respect of royalties (particularly for printed matter, performing rights etc) were not approached. An allowance has been made in Table 1 for the transactions of non-responding and exempt firms, based on returns to previous inquiries or on assumptions that the experience of small firms outside the inquiry would resemble that of comparable firms in the inquiry. It is estimated that firms providing full details in the inquiry represented just under 70 per cent of total receipts and over three quarters of total payments. As it is not possible to allocate the allowance for non-response by country or by industry, the more detailed tables in the note (Tables 2 to 5) are based solely on returns received in the inquiry.

Summary of results for all firms

Table 1 illustrates how the growth of royalty receipts accelerated in 1970, after slowing down between 1968 and 1969. Receipts in respect of printed matter, sound recordings or performing rights (artistic royalties) rose by about 11 per cent between 1969 and 1970, a slightly slower rate of growth than that between 1968 and 1969. Technological royalty receipts, however, rose by nearly a quarter, following a rise of less than 4 per cent between 1968 and 1969. Most of the rise in technological royalty receipts was in respect of unrelated overseas concerns where a rise of nearly 30 per cent was recorded. Receipts from overseas affiliates (i.e. overseas branches, subsidiaries, parents and associates of UK firms) rose by nearly 15 per cent.

Almost all the growth in royalty expenditure abroad in 1970 was in respect of technological royalties, there being no increase in payments to related concerns abroad in respect of artistic royalties and only a marginal increase in payments to unrelated concerns. Technological royalty payments abroad rose by nearly 12 per cent in 1970, with a rise of over 17 per cent in payments to related concerns (which consist mainly of payments to foreign parent companies by their branches and subsidiaries operating in the UK) and a much smaller rise (of about 6 per cent) in payments to unrelated concerns abroad.

The rapid growth in technological royalty receipts in 1970 caused the balance of receipts over payments in respect of technological royalties to improve from a roughly even balance in 1969 to a surplus of £10 million in 1970. The balance in respect of artistic royalties also improved from nearly £14 million in 1969 to over £16½ million in 1970. The surplus in respect of technological royalties was achieved despite a further deterioration in the deficit in transactions between related concerns where increased payments more than offset the increased receipts.

Detailed analysis by area and country

Tables 2 and 3 give a geographical analysis of receipts and payments in 1970 by companies responding to the inquiry. The broad pattern which emerges is similar to that shown in previous inquiries with receipts showing a wide geographical spread compared with payments where the United States tends to predominate.

Almost every area and major country showed an increase in payments to the UK as Table 2 indicates. Overseas sterling area countries accounted for nearly a fifth of the total. In non-sterling areas, North America accounted for nearly 30 per cent and Western European developed countries for nearly 27 per cent. In total, receipts from developing countries amounted to 21 per cent of all receipts. A high proportion of receipts from the overseas sterling area (about two thirds) came from related concerns. In contrast, only just over one third of receipts from North America came from related concerns.

Royalty payments are predominantly to the developed countries of the non-sterling area with 73 per cent accounted for by the United States and a further 22 per cent accounted for by Western Europe. About three quarters of payments to the United States are made by affiliates of United States companies operating in the UK.

(continued on next page)

TABLE 1. ROYALTIES AND SIMILAR TRANSACTIONS— estimates for all businesses (excluding oil companies)

£ million

	Transactions with all overseas concerns						Transactions with related concerns		Transactions with unrelated concerns	
	1965	1966	1967	1968	1969	1970	1969	1970	1969	1970
Receipts										
On printed matter, sound recordings or performing rights	15.4	15.7	15.0	21.0	25.5	28.4	6.0	6.8	19.5	21.6
Technological and mineral	49.4	58.2	64.2	85.2	88.3	109.8	29.7	33.7	58.6	76.1
Total	64.8	73.9	79.2	106.2	113.8	138.2	35.7	40.5	78.1	97.7
Expenditure										
On printed matter, sound recordings or performing rights	9.0	9.0	7.2	10.2	11.6	11.7	4.5	4.5	7.0	7.2
Technological and mineral	46.7	48.3	59.8	77.1	88.5	99.7	52.2	61.2	36.3	38.6
Total	55.7	57.3	67.0	87.3	100.1	111.5	56.7	65.7	43.3	45.7
Balance										
On printed matter, sound recordings or performing rights	6.4	6.7	7.8	10.8	13.9	16.7	1.5	2.2	12.5	14.4
Technological and mineral	2.7	9.9	4.4	8.1	−0.2	10.1	−22.5	−27.5	22.3	37.6
Total	9.1	16.6	12.2	18.9	13.7	26.8	−21.0	−25.2	34.8	52.0

OVERSEAS ROYALTY TRANSACTIONS
continued

Table 4 gives a summary of both receipts and payments from and to three broad areas, the United States, Western Europe and the rest of the world. The United Kingdom has a net balance of payments over receipts in respect of the United States, which is due almost entirely to transactions between related concerns and increased slightly between 1969 and 1970. The small balance of receipts over payments in respect of Western Europe changed little between 1969 and 1970, a higher balance in respect of unrelated concerns offsetting the lower balance in respect of related concerns. The substantial balance of receipts over payments in respect of the world increased further between 1969 and 1970, and together with the small surplus with Western Europe more than offset the deficit with the United States. This table should be used with caution as there were changes in response between the two years, although they were not so great as to affect the broad conclusions.

An industrial analysis of royalty transactions is given in Table 5. The classification is based on the main activity of the United Kingdom enterprise involved and may not always reflect closely the industrial activity to which the transactions relate. Enterprises principally in manufacturing industry accounted for over 85 per cent of receipts and over 90 per cent of payments. Enterprises in chemicals and allied industries accounted for about 28 per cent of receipts and 17 per cent of payments. Enterprises in electrical engineering accounted for about 12 per cent of receipts and 25 per cent of payments, a large proportion of the latter being payments by UK affiliates of foreign companies.

Notes and definitions

Firms were asked to return amounts payable to, or receivable from, overseas concerns (including individuals) in respect of the right to use processes and other information (eg royalties, licences to use patents, trade marks, designs, copyrights, etc., or for manufacturing rights and use of technical 'know-how'). Royalties, etc., on printed matter, sound recordings or performing rights were also included. The mineral royalty transactions recorded relate to overseas mineral rights, other than oil, in respect of which payments were made to or from companies registered in the United Kingdom. Separate details for this category were not collected for 1970 and they were groups with 'technological' royalties. Royalties, rentals, etc., in respect of cinematograph film and television programme material are excluded.

TABLE 2. ROYALTIES AND SIMILAR TRANSACTIONS—RECEIPTS FROM OVERSEAS BY COUNTRY AND TYPE 1970

Summary of returns received — £ million

Area or country	All royalties, etc				
	Total receipts	Receipts from Related concerns	Receipts from Unrelated concerns	Printed, etc royalties	Technological and mineral royalties
Overseas Sterling Area	17.54	11.97	5.57	2.60	14.94
Developed Countries	9.74	7.05	2.69	1.44	8.30
Australia	4.75	3.68	1.07	0.70	4.05
Irish Republic	0.68	0.39	0.29	0.17	0.51
New Zealand	0.80	0.51	0.29	0.09	0.71
South Africa	3.51	2.47	1.04	0.48	3.03
Developing Countries	7.80	4.92	2.88	1.16	6.64
Of which:					
Hong Kong	0.15	0.04	0.11	0.10	0.05
India	2.97	1.66	1.31	0.28	2.69
Malaysia	0.96	0.84	0.12	0.02	0.94
Pakistan	0.79	0.70	0.09	..	..
Singapore	0.17	..	..	—	0.17
Commonwealth West Indies	0.56	0.42	0.14	..	..
Commonwealth Africa	1.09	0.99	0.10	0.03	1.06
Other Developing Countries	1.11	..	..	..	..
Non-Sterling Area	73.81	23.86	49.95	15.40	58.41
Developed Countries	62.35	20.62	41.73	12.66	49.69
Of which:					
Canada	2.05	1.22	0.83	0.45	1.60
United States of America	24.96	8.30	16.66	5.71	19.25
Western Europe	24.43	8.81	15.61	5.21	19.21
EFTA	2.95	1.05	1.90	0.52	2.43
Austria	0.22	0.10	0.12	..	..
Denmark	0.39	0.16	0.23	0.10	0.29
Finland	0.21	..	..	..	..
Portugal	0.52	..	..	..	..
Sweden	0.80	0.20	0.60	0.19	0.61
Switzerland	0.65	0.20	0.45	0.07	0.58
Norway	0.15	0.03	0.12	..	..
EEC	20.76	7.76	13.00	4.30	16.46
Belgium and Luxemburg	2.38	0.75	1.63	0.30	2.08
France	5.16	2.55	2.61	1.56	3.60
Italy	3.82	1.10	2.72	0.66	3.16
Netherlands	1.56	0.93	0.63	0.28	1.28
Western Germany	7.84	2.43	5.41	1.50	6.34
Japan	8.20	2.00	6.20	1.18	7.02
Developing Countries	11.46	3.24	8.22	2.74	8.72
Western Europe	3.22	0.93	2.29	0.72	2.50
Spain	2.50	0.85	1.65	0.36	2.14
Yugoslavia	0.21	—	0.21	..	..
Greece	0.27	..	..	..	..
Turkey	0.24	..	..	..	..
South and Central America	4.54	2.11	2.43	0.24	4.30
Of which:					
Argentine	0.74	0.59	0.15	0.12	0.62
Brazil	0.88	0.17	0.71	..	..
Mexico	0.94	0.43	0.51	..	..
Total of returns received	91.35	35.83	55.52	18.00	73.35

TABLE 3. ROYALTIES AND SIMILAR TRANSACTIONS—OVERSEAS EXPENDITURE BY COUNTRY AND TYPE 1970

Summary of returns received — £ million

Area or country	All Royalties, etc.				
	Total payments	Payments to Related concerns	Payments to Unrelated concerns	Printed, etc. royalties	Technological and mineral royalties
Overseas Sterling Area	0.89	0.07	0.82	0.71	0.18
Developed Countries	0.16	..	..	..	..
Developing Countries	0.73	..	..	..	..
Non-Sterling Area	84.85	57.08	27.77	7.73	77.12
Of which:					
Canada	0.68	0.19	0.49	0.08	0.60
United States of America	62.20	46.39	15.81	4.76	57.44
Western Europe of which:	18.52	10.39	8.13	1.77	16.75
EFTA of which:	7.24	3.99	3.25	0.32	6.92
Austria	0.43	..	..	0.03	0.40
Denmark	1.04	..	..	0.01	1.03
Norway	0.16	—	0.16	..	..
Sweden	0.84	0.51	0.33	..	.
Switzerland	4.75	2.73	2.02	0.25	4.50
EEC	11.06	6.40	4.66	1.33	9.73
Belgium and Luxembourg	0.66	..	..	..	..
France	4.91	3.63	1.28	0.56	4.35
Italy	1.54	..	..	..	..
Netherlands	1.66	1.47	0.19	0.07	1.59
Western Germany	2.28	0.56	1.72	0.40	1.88
Japan	0.14	—	0.14	0.01	0.13
Total of returns received	85.74	57.15	28.59	8.44	77.30

TABLE 4. BROAD AREA ANALYSIS OF ROYALTY TRANSACTIONS

Summary of returns received — £ million

	Royalty receipts in 1970(†)	Royalty payments in 1970(‡)	Net Royalty receipts in 1970(†) less(‡)	Net Royalty receipts in 1969
United Kingdom transactions with the United States				
Total royalties	25.0	62.2	−37.2	−34.0
Related concerns	8.3	46.4	−38.1	−35.3
Unrelated concerns	16.7	15.8	0.9	1.3
Artistic royalties	5.7	4.8	0.9	0.8
Technological and mineral royalties	19.3	57.4	−38.1	−34.8
Western Europe				
Total royalties	27.6	18.5	9.1	8.4
Related concerns	9.7	10.4	− 0.7	2.4
Unrelated concerns	17.9	8.1	9.8	6.0
Artistic royalties	5.9	1.8	4.1	3.4
Technological and mineral royalties	21.7	16.7	5.0	5.0
Rest of the World				
Total royalties	38.8	5.0	33.8	26.6
Related concerns	17.8	0.3	17.5	15.6
Unrelated concerns	21.0	4.7	16.3	11.0
Artistic royalties	6.4	1.8	4.6	3.4
Technological and mineral royalties	32.4	3.2	29.2	23.2

TABLE 5. INDUSTRY ANALYSIS OF ROYALTIES AND SIMILAR TRANSACTIONS 1970

Summary of Returns Received

£ million

	Receipts			Expenditure		
	Total	Related	Unrelated	Total	Related	Unrelated
All manufacturing industries	79.01	33.68	45.33	78.21	53.33	24.88
Food, Drink, Tobacco	6.98	4.92	2.06	1.74	0.97	0.77
Chemical and Allied Industries	25.68	11.02	14.66	14.91	9.15	5.76
Electrical Engineering	10.80	5.02	5.78	21.38	17.04	4.34
Non-Electrical Engineering	6.77	3.99	2.78	19.44	13.84	5.60
Ships, Aircraft and Vehicles including Motor Vehicles	6.22	1.38	4.84	2.14	0.72	1.42
Textile Clothing and Footwear	1.52	0.84	0.68	1.45	0.49	0.96
Paper, Printing and Publishing	3.39	1.35	2.04	1.75	0.77	0.98
Other Manufacturing Industries	17.65	5.16	12.49	15.40	10.35	5.05
Distribution and other activities	12.34	2.15	10.19	7.53	3.82	3.71
Total of returns received	91.35	35.83	55.52	85.74	57.15	28.59

The statistics relate to those payments and receipts which can be identified, and consequently fall short of providing a complete picture. Royalties, etc., included in the recorded value of United Kingdom imports and exports are excluded, eg where charges for royalties, etc., are incorporated in the contract price of capital goods, and cannot be separately distinguished. This omission is probably most important in respect of large contracts made by individual firms or consortia for the erection of complete plants, where the knowledge of how to operate them is an integral part of the contract.

Another substantial omission from these figures consists of earnings from overseas affiliates which are included indistinguishably as part of direct investment income. A study of the effects of knowledge sharing between United Kingdom companies and related overseas concerns, which investigates the extent to which international groups gain from knowledge-sharing and how far the benefits to overseas affiliates are reflected in direct investment earnings rather than explicitly as royalty payments, is contained in 'Effects of United Kingdom Direct Investment Overseas. Final Report', by W. B. Reddaway, in collaboration with S. J. Potter and C. T. Taylor (Cambridge University Press, 1968).

Amounts reported are those payable or receivable whether on current or capital account, after deduction, where appropriate, of United Kingdom or overseas tax. Amounts payable to agents for charges (less discounts) for services rendered in connection with royalties and similar transactions have been included as have agency earnings of United Kingdom concerns and lump sum settlements, but sales commissions and registration fees on patents held by United Kingdom concerns have not been included.

Companies in this inquiry were asked to make returns for their accounting years if information was not available for calendar years.

The statistics relate to the 'United Kingdom' which is defined as Great Britain, Northern Ireland, the Isle of Man and the Channel Islands.

The inquiry covered transactions between United Kingdom and overseas concerns (and individuals). These concerns could be related, ie parent companies, branches, subsidiaries or associates of the reporting companies, or not related in any way; transactions with these two categories were reported separately. In a few instances where separate returns were received for different parts of the same United Kingdom enterprise, the returns were combined for purposes of classification and compilation.

Returns were classified to industry according to the main activity of the United Kingdom business.

Business monitor

THE following titles and issues of Business Monitor are now available and copies may be obtained by annual subscription from HMSO, PO Box 569, London, SE1 9NH.

Production series

Monthly at £1 a year post free:
- Salt for January
- Radios, television sets and sound reproducing apparatus for December
- Imported timber for January.

Quarterly at 37½p a year post free:
- Metal-working machine tools for third quarter 1971
- Merchant shipbuilding for fourth quarter/Ships boats and marine engineering for third quarter 1971
- Miscellaneous stationers goods for second quarter 1971
- Brushes and brooms for third quarter 1971.

Civil aviation series

Monthly at £1 a year post free:
- Airport activity for year 1970
- Air passengers for year 1970
- Air freight and mail for year 1970.

A complete list of titles of Business Monitors was last published in *Trade and Industry* on December 16, on page 562.

New companies registered in Northern Ireland

DURING the month of February 1972, 40 private companies with a total nominal capital of £255,900; and two private companies limited by guarantee not having a share capital, were registered in Northern Ireland.

During the period January 1 to February 29, 1972, 78 private companies with a total nominal capital of £522,600 were registered, as compared with 43 companies with a total nominal capital of almost £588,000 during the same period in 1971.

Registrations of British and foreign films

The following are details of films registered by the Department of Trade and Industry under the Films Acts 1960 to 1970 during the week ended Friday, March 24, 1972. BR/E indicates that the film is a British quota film.

Title of film	Registered No.	Playing time minutes	Date of registration	Registered in the name of	Maker's name
			BRITISH		
The Eighth Continent	BR/E 36065/26/3/77	13	March 23	Columbia-Warner Distributors Ltd.	Film Services (London) Ltd.
Movietone News 2233	BR/E 35888/26/3/77	7	March 24	Twentieth Century-Fox Film Co. Ltd.	British Movietonews Ltd.
Movietone News 2233A	BR/E 35889/26/3/77	8	March 24	Twentieth Century-Fox Film Co. Ltd.	British Movietonews Ltd.
			FOREIGN		
They Might be Giants	F 36056	86	March 21	Rank Film Distributors Ltd.	Universal International Films Inc.
The Last Picture Show	F 36057	118	March 21	Columbia-Warner Distributors Ltd.	Columbia Pictures Industries Inc.
Cisco Pike	F 36058	94	March 21	Columbia-Warner Distributors Ltd.	Acrobat Productions
The Brothers Karamazov	F 36059	126	March 21	Columbia-Warner Distributors Ltd.	Sovexport Film, Moscow
The Cowboys	F 36060	127	March 21	Columbia-Warner Distributors Ltd.	Sanford Productions (California Company)
Welcome to the Club	F 36061	82	March 21	Columbia-Warner Distributors Ltd.	Walter Shenson Productions
Daddy Darling	F 36062	95	March 21	Target International Pictures Ltd.	Cinetex Industries
Cannon for Cordoba	F 36063	102	March 21	United Artists Corporation Ltd.	Mirisch Productions Inc.
Red Circle	F 36064	102	March 23	Columbia-Warner Distributors Ltd.	Robert Dorfman Productions, Paris

Food supplies moving into consumption in the United Kingdom

In order to provide some early indications of consumption trends in the year 1971 as a whole, preliminary estimates of food moving into consumption in the United Kingdom are set out in the following table and compared with results for 1970. The estimates relate to commodities at a primary stage of distribution. More detailed figures, with estimates of consumption of end-products, a full commentary on the results, and some nutritional analyses, will be published later in the year.

These preliminary estimates indicate continued overall stability in the broad pattern of food consumption, although for some commodities it appears that consumption changes may have been more significant between 1970 and 1971 than in preceding years. Total consumption of liquid milk declined slightly, by four pints per head to 236 pints per annum, but the upward trend in consumption of cream and cheese was maintained in 1971, with increases over 1970 of 0.2 lb and 0.3 lb per head respectively. Total meat consumption was also higher in 1971 by 0.9 lb per head, a fall in beef and veal consumption being more than offset by increases in pigmeat and in mutton and lamb. Consumption of pork, which fell marginally between 1969 and 1970, more than recovered with an increase of 1.5 lb per head between 1970 and 1971. Mutton and lamb, after steadily declining in recent years, rose to 21.9 lb per head in 1971, an increase of 0.8 lb per head. Poultry supplies, which had consistently shown a marked upward trend in recent years, were affected by the fowl pest epidemic and consumption remained at the same level as for 1970. Supplies of fresh and frozen fish again declined in 1971 and consumption was at the lowest level recorded since 1963. Supplies of imported canned fish

FOOD SUPPLIES PER HEAD PER ANNUM MOVING INTO CONSUMPTION IN THE UNITED KINGDOM

(lb. per head per annum)

	1970	1971 (provisional)
I. Dairy products (excluding butter):		
Liquid milk	309.7	304.3
(pints per head per annum)	(240.4)	(236.3)
of which, schools and welfare milk (pints)	(37.7)	(15.3)
Cream (40 per cent fat content)	3.1	3.3
Cheese	11.8	12.1
Evaporated milk, full cream, unsweetened	5.2	5.0
Condensed milk, full cream, sweetened	0.9	0.8
Condensed milk, machine skimmed	2.4	2.8
Dried whole milk	1.2	1.3
Dried skimmed milk	3.3	3.1
Milk as liquid in manufactured products not elsewhere specified	15.3	16.2
Total (converted to milk solids)	55.9	55.5
II. Meat:		
Beef—bone in	41.3	40.4
Beef—bone out	5.5	5.1
Mutton and lamb	21.1	21.9
Pork	24.2	25.7
Offal	7.7	7.8
Canned meat (imported)	7.4	7.6
Bacon and ham	25.0	25.0
Poultry	23.0	23.0
Rabbits and game	0.6	0.6
Total (converted to edible weight)	130.9	131.8
III. Fish:		
Fresh, frozen and cured (wet fillet equivalent)	16.0	15.5
Shell fish, fresh and frozen (edible weight)	1.2	1.2
Canned fish (imported)	2.3	2.5
Total (edible weight)	19.5	19.2
IV. Eggs:		
Shell eggs (number)	250	250
Egg products (equivalent number of eggs)	24	20
Total	274	270
V. Oils and fats (visible):		
Butter	19.3	17.9
Margarine (gross)	11.8	12.7
(net) (a)	11.0	12.0
Lard and compound cooking fat	12.0	11.1
Other edible oils and fats	13.8	14.6
Total (converted fo fat content)	51.0	50.6
VI. Sugar and Syrups:		
Sugar refined (b) (i) (gross)	105.4	104.4
(ii)	101.4	100.3
(iii)	96.6	96.0
Honey	0.8	0.9
Glucose	11.7	11.9
Total (sugar content) (gross)	116.0	115.4
(net)	107.0	106.8
VII. Fruit:		
Fresh citrus fruit	21.8	22.3
Other fresh fruit	54.2	54.2
Canned fruit	18.2	17.5
Imported fruit juices (in natural strength)	5.4	7.1
Imported fruit pulp	1.4	1.4
Imported dried fruit	5.4	5.4
Total (converted to fresh equivalent)	124.1	127.4
VIII. Pulses and nuts:		
Dried pulses (c)	7.3	6.9
Shelled nuts and soya flour	5.1	4.7
Total	12.4	11.6
IX. Potatoes (d)	225.1	221.4
X. Other vegetables		
Fresh tomatoes	13.3	13.3
Imported canned tomatoes (including juice and puree)	6.8	6.8
Cabbage and greens	35.9	36.5
Leafy salads	4.3	4.6
Fresh carrots	11.4	11.6
Fresh legumes	22.3	20.7
Other fresh vegetables	27.6	28.3
Other canned vegetables (e)	10.0	8.6
Total (converted to fresh equivalent)	138.0	136.4
XI. Grain Products		
Wheat flour	145.2	142.5
Barley products	0.4	0.3
Oat products	2.7	2.7
Rye products	0.5	0.6
Breakfast cereals	6.8	6.5
Rice	3.0	3.9
Starch and other farinaceous foods	3.4	3.0
Total	162.0	159.5
XII. Tea, coffee and cocoa:		
Tea	8.7	8.2
Coffee (bean equivalent) (f)	4.4	4.7
Cocoa powder	1.0	1.0
XIII. Alcoholic drink (g)		
Spirits (proof pints) (h)	2.8	3.0
Beer (pints)	177.7	184.0
Wine (pints)	6.6	7.7
XIV. Energy value (kcal. per head per day)		
Food (including coffee and cocoa)	3100	3075
Alcoholic drink	129	135

(a) Excluding ingredients shown as separate items elsewhere in the tables (eg, butter and lard).
(b) (i) Total consumption of sugar including sugar content of imported manufactured foods;
(ii) = (i) less sugar used in production of alcoholic drinks;
(iii) = (i) less sugar used in alcoholic drinks and sugar content of products covered elsewhere in the table to provide for the calculation of calories.
(c) Includes dried beans and dried peas for canning.
(d) Includes the raw equivalent of potatoes (ie, crisps, canned, dehydrated and frozen potatoes).
(e) Excludes canned dried peas, canned dried beans (beans in tomato sauce, etc.) and canned tomatoes.
(f) Including coffee extracts and essences.
(g) Quantities retained for home use, based on Table 214 Annual Abstract of Statistics 1971, provided by HM Customs and Excise.
(h) Excludes medical spirit.

recovered marginally from the low level of 1970, mainly because of increased supplies of canned salmon. Total egg supplies fell by four eggs per head between 1970 and 1971 but consumption of shell eggs remained at the same level.

The world supply position for butter reduced the quantities available and consumption, which had been gradually declining since 1967, fell rather more sharply in 1971 to 17.9 lb per head, but increases of 0.9 lb per head for margarine and 0.8 lb for other edible oils and fats reduced the decline in total consumption of oils and fats to 0.4 lb per head. Total sugar usage was rather lower at 104.4 lb per head, but the use of glucose increased again by 0.2 lb per head. Total fruit consumption showed a marked increase, reflecting a substantial increase in supplies of imported fruit juices. Potato consumption was 3.7 lb per head lower than in 1970 and consumption of other vegetables fell to 136.4 lb per head, a more normal level after the high level recorded for 1970. The total consumption of grain products also declined in 1971, the fall in flour usage being 2.7 lb per head. Tea consumption, after recovering slightly in 1970, fell again in 1971 by 0.5 lb per head, but coffee consumption again increased, by 0.3 lb per head.

Spirits, beer and wine all showed increases for 1971. Beer consumption has risen by nearly 22 pints per head since 1966.

The energy value of food supplies declined marginally, from nearly 3,100 kilocalories per head per day in 1970 to about 3,075 kilocalories in 1971.

New Business Monitor for ball and roller bearings

THE first quarter's results of a new quarterly statistical inquiry into manufacturers' sales of ball and roller bearings has now been published. The results, which are for the fourth quarter of 1971, are published in the Business Monitor series.

The inquiry was started after consultation with industry and is designed as a part of the new system of industrial statistics which is being developed by the Government Statistical Service. As well as meeting official statistical requirements, the inquiry will also provide private industry for the first time with detailed sales information for marketing and management purposes. As part of the Government's plan to centralise the collection of statistics from industry the inquiry is being conducted by the Business Statistics Office at Newport.

Copies of the Business Monitor, reference P 124, are available on subscription of 37½p per annum (including postage) from Her Majesty's Stationery Office, PO Box 569, London SE1 9NH.

Northern Ireland index of production

THE provisional index of production for January 1972 is 159. This is one point higher than the index for December 1971, but the same as for January 1971.

The index numbers for the main industrial groups with the increase or decrease on January 1971 shown in brackets are: textiles 226 (−1 point), clothing 119 (−2), engineering and metals 121 (−7), food, drink and tobacco 118 (−1), timber and furniture 138 (+1), mineral products 135 (+7), other manufacturing industries 236 (+2), gas, electricity and water 235 (+19).

The work of BSI

The British Standards Institution is the official standards organisation for this country and is very active in removing technical barriers to trade through international standards organisation such as ISO and IEC. BSI has several other functions. It runs certification and approvals schemes, among them granting licences to manufacturers to use the 'Kitemark' on products conforming to British Standards. It also undertakes testing work for outside bodies and, through the Technical Help to Exporters Scheme, provides information on overseas regulations affecting exports. BSI, 2 Park Street, London W1A 2BS.

Release dates of economic statistics to be published in April 1972

THIS notice is issued by the Central Statistical Office on behalf of the Government Statistical Service and other organisations as a guide to the dates of publication of major economic series in April. The dates are those which Departments, or other organisations concerned, are aiming at, and would normally expect to meet. Exceptionally, there may be a delay resulting from unavoidable statistical problems of collection and compilation. Further enquiries about individual series should be addressed to the course named.

Publication date	Series	Method of release*	Source
April			
5 Wed	UK Official reserves (March)	PN	Treasury
	Hire purchase and other instalment credit business (Feb)	PN	DTI
	Retail trade (Feb)	PN	DTI
	Capital issues and employment (March)	PN	Bank of England
6 Thurs	Consolidated Fund and National Loans Fund (March)	Gazette	Treasury
	Borrowing by local authorities (4th qtr)	PN	CSO
	Weekly fuel statement	PN	DTI
10 Mon	Turnover of the catering trades (Feb)	PN	DTI
11 Tues	Numbers of foreign visitors to Britain (Feb)	PN	DTI
12 Wed	Weekly fuel statement	PN	DTI
13 Thurs	National income and expenditure (4th qtr-revised)	PN	CSO
13 Thurs	Capital expenditure by the manufacturing distributive and service industries (4th qtr-revised)	T & I	DTI
	Manufacturers' and distributors' stocks (4th qtr-revised)	T & I	DTI
	Wholesale price index numbers (March)	PN	DTI
14 Fri	UK overseas trade (March)	PN	DTI
	Crude steel production (March)	PN	BSC/BISPA
	Building Societies receipts and loans (March)	PN	BSA
17 Mon	Turnover of the motor trades (Feb)	PN	DTI
18 Tues	Financial accounts of industrial and commecaial company and personal sectors (4th qtr)	PN	CSO
	Appropriation accounts of companies (4th qtr)	PN	CSO
	Net acquisition of financial assets-analysis by sector (4th qtr)	PN	CSO
	Weekly fuel statement	PN	DTI
19 Wed	Index of industrial production (Feb)	PN	CSO
	Consumers' expenditure (1st qtr-1st preliminary estimate)	PN	CSO
	Basic rates of wages and normal weekly hours (end March)	PN	Dept of Employment
	Monthly index of average earnings	PN	Dept of Employment
20 Thurs	Registered unemployed (prov.-April)	PN	Dept of Employment
	Unfilled vacancies (April)	PN	Dept of Employment
21 Fri	Retail prices index (March)	PN	Dept of Employment
	New vehicle registrations (March)	PN	Dept of Environment
23 Sun	National Savings monthly progress report (March)	PN	DNS
24 Mon	Engineering orders and deliveries (4th qtr-final)	PN	DTI
25 Tues	Weekly fuel statement	PN	DTI
26 Wed	Electricity generation (March)	PN	DTI
	Construction—new orders (Feb)	PN	Dept of Environment
27 Thurs	Car and commercial vehicle production (March)	PN	DTI
	Registered unemployment (final figures—March)	Gazette	Dept of Employment
	Employment in production industries (Feb)	Gazette	Dept of Employment
	Overtime and short-time working in manufacturing industries (Feb)	Gazette	Dept of Employment
	Stoppages of work due to industrial disputes (March)	Gazette	Dept of Employment
	Bricks and cement production (March)	PN	Dept of Environment
28 Fri	Housing starts and completions (March)	PN	Dept of Environment
	Housing improvement grants (March)	PN	Dept of Environment
	Slum clearances (1st qtr)	PN	Dept of Environment

* PN = Press Notice

'Exploitation of the sea and seabed vital'

—Mr. David Price

OPENING the Oceanology International '72 Conference at the Hotel Metropole, Brighton on March 21, Mr. David Price, Parliamentary Under Secretary of State for Aerospace, said:

'For too long we, mankind, have neglected the sea around us, except in the two cases of fishing and surface transport.

'We here are dedicated to the proposition that this age-old neglect must be rectified. We share the belief that both the exploration and the exploitation of the sea and the seabed are of growing importance to the nations of the world, individually and collectively. To our critics we might quote the words of President Kennedy to Congress in 1961: "Knowledge of the oceans is more than a matter or curiosity. Our very survival may hinge on it.'

'We must be careful not to exaggerate the extent and the speed of early public benefit. If we do, we will only disappoint the public, and that in the long term would be very counter-productive. On the other hand, I am fully aware that some at least of you practitioners of marine technology are becoming increasingly impatient at the apparently slow rate at which we navigate these uncertain waters.

'The development of marine mining, underwater engineering and marine instrumentation, to take some examples at random, are progressing slowly. On the other hand, if we look back twenty years—and this is not a very long time in the development of a new technology—the extent of progress becomes more clear and more impressive. Let us look at some examples. The development of commercial submersibles; the numerous systems and equipments required for the successful exploitation of under-sea gas and oil; the many new techniques for the acquisition of oceanographic data. As you look round this exhibition, you will, I am sure, see evidence of significant advances since the last exhibition here in Brighton three years ago.

Past achievements and future prospects

'I ask, therefore, that we try to take a balanced view of our past achievements and of our future prospects. That there is a big technological potential in oceanological equipment and systems is obvious to all of us, but how quickly that potential can be realised in ordinary commercial terms is a different and more hazardous matter. This applies equally to its realisation in social terms and even in ecological terms.'

Turning to the problems facing industrial companies in these areas of endeavour, Mr. Price said:

'The difficulties of putting complex—or indeed even simple—equipment into a marine environment must not be under-rated. It is not simply a matter, as you know better than I, of waterproofing terrestrial equipment and hoping for the best. The problems of operating in the sea are often very great and the solutions are usually expensive. Not only are these activities costly, but they frequently demand scientific knowledge which is either not available or at best incompletely available.

'We are, for example, ill-informed on the fundamental problems of the forces exerted by the sea on structures immersed in it. The commercial hazards are of course increased by the inevitable high risk of failure due to the inescapable difficulties, uncertainties and long lead times. I would stress this last point. Industry is faced with the difficulty of developing a technology where the time-scale between the identification of a market and the realisation of profits is often large, although where the commercial opportunities are self-evident, progress may be fast, as in the case of the exploitation of hydrocarbons in the North Sea.

'It is clear to me, therefore, that in most of our countries the commercial exploitation of the resources of the sea and the seabed require a partnership between Government and industry. But a proper and recognised division of responsibility and authority between the partners is essential to the success of such a partnership.

'In the view of the Government it is right at this stage of development, the Government should initiate and finance feasibility studies and other preliminary investigations in the closest cooperation with industry to help to identify where the opportunities may lie and what is necessary to exploit such opportunities.

'But it is also our view that Government should not take unto itself the responsibility for exploiting such opportunities once they have been analysed and assessed. That as we see it is the responsibility of industry.

'Furthermore we do not believe that Government either should or can attempt to replace necessary initiatives on the part of industry by individual firms. But rather that Governmental help should be directed to relieving industry of some of the burden of the preliminary investigations which must, in the nature of things, so often prove fruitless. Thus we believe that Government and industry can together cooperate in trying to identify, out of the many possibilities, those which in the end will prove ripe for commercial exploitation—and this is a singularly difficult task.

'In general the Government is of the opinion that in the years immediately ahead we would do well to concentrate our attention largely upon the Continental Shelf and that the problems of exploiting the potentials of the ocean at greater depths should wait. After all, the continental shelves of our oceans cover some ten million square miles, the equivalent of one-fifth of the land surface of our planet.

Exploitation of hydro-carbons

'The work so far done leads me to the view that in our case the particular applications of marine technology which are economically most inviting are becoming increasingly clear. The prime example is the exploitation of hydro carbons which is already very big business. Expenditure on the technology necessary for production is also very substantial. This activity implies the need for a wide range of underwater engineering techniques, tools and equipment, for the drilling and completion of wells, the laying and maintenance of pipelines and the construction of off-shore platforms. Diving services, the support of submersible systems and a wide range of instruments are clearly also required and have moved into the commercial field.

'In all these circumstances I am convinced that we are gradually entering into a new phase in our endeavours, where normal terrestial market considerations will play an increasing part in our considerations. In saying so I do not detract one iota from the importance of continuing scientific endeavour, especially in the deeper oceans. But here the objective will remain for the time being at least the acquisition of more knowledge about the nature and working of basic forces in our planet without an early opportunity for commercial exploitation.'

'Best ever' DIDACTA say exhibitors

From the British Consulate-General, Hanover

AFTER an absence of four years, the Educational Materials Fair returned triumphantly to Hanover from March 14-18, 1972. This highly specialised Fair attracted a record 90,000 visitors from 70 countries with a strong preponderance of teachers, educationalists and buying groups.

There were 844 direct exhibitors in addition to 172 further represented firms. About 370,000 sq. ft. net of exhibition space was sold. Foreign participation was particularly high, with 327 exhibitors and 71 represented undertakings from 24 different countries. Britain easily led in this foreign participation with 73 direct exhibitors and a further 12 represented firms.

The Department of Trade and Industry assisted the Educational Equipment Association to mount a joint venture of 55 firms in Hall 17, where joint venture exhibits from Australia, Canada, Israel, East Germany, France and Spain were also located. The United Kingdom Government stand, which formed part of the joint venture, had a special display of school furniture, and science laboratory equipment. Commercial staff from the Consulate-General, Hanover were available at the Information Stand during the whole fair to assist all British exhibitors and UK visitors to the fair.

On March 15, Mr. W. R. van Straubenzee, Parliamentary Under Secretary, Ministry of Education and Science, accompanied by Mr. N. Statham, Minister (Economic) British Embassy, Bonn and Mr. J. M. Leadbitter, H.M. Consul-General, Hanover, visited not only nearly every British exhibitor but a number of interesting exhibits from other countries. The opportunity to have discussions with the Minister was much appreciated by British exhibitors.

Quality interest

Almost without exception, exhibitors reported that the 11th DIDACTA had been the best ever. The quality of the visitors who came from 69 countries was particularly praised. Jugoslavia alone sent a delegation of 100 specialists. Interest was shown fairly evenly between books and educational equipment. In the field of technical equipment, the impression was gained that overhead projectors and audio visual teaching aids with standard cassettes were the items on which large sums would be spent in the future by educational authorities. At present, only about 75p per year is spent in Germany per child on educational equipment, but it is anticipated that this figure will have to be raised to about £4 per annum to provide schools with the expensive equipment which is now becoming available.

Several UK firms booked orders worth £10,000 or more and practically all expressed satisfaction with the results achieved. The next DIDACTA will be held in Brussels, June 10-14 1974.

Satisfactory results at Sydney Toy Fair

From the British High Commission Sydney

BRITISH manufacturers reported considerable interest in their products and were generally pleased with results at the seventh Sydney International Toy Trade Fair held from March 9-12.

Several reported on-the-spot sales and the promise of follow-up orders. All were satisfied with the number of inquiries received and contacts made.

Nearly 6,000 square feet of space was occupied by 42 exhibitors of which 3,128 square feet was taken by the British Toy Manufacturers Association in a joint venture in conjunction with the Department of Trade and Industry. Nineteen manufacturers were represented and a number of United Kingdom representatives attended the event. The Fair was opened by the New South Wales Minister of Decentralisation and Development, the Hon. J. B. M. Fuller. In his opening speech he welcomed the overseas visitors and spoke of the importance of the toy industry's influence on today's younger generation. After the opening ceremonies, Mr. Fuller accompanied by Mr. Gordon Booth, British Deputy High Commissioner and Mr. D. Douglas, the Federal Secretary of ABTA, made a tour of the exhibits.

World-wide interest

Toys were exhibited from a number of countries including Japan, Hong Kong, Italy, the United States, Israel, Korea, and Taiwan.

Buyers from all the neighbouring States visited the Fair including several who travelled the 2,600 miles from Perth.

Of the British exhibits, John Waddington Ltd, displayed their new range of games as did J. W. Spear & Sons. There was also continued interest in the Fuzzy Felt stand (Allan Industries). Both Mr. & Mrs. Allan attended the Fair for the fourth year in succession and were very satisfied with the business they achieved. Newfeld Ltd. presented a colourful display of their 'Bendy' toys which attracted much attention.

Plenty of inquiries at Cologne 'Fair for the Child'

From the British Embassy, Bonn

THE three day 'Fair for the Child' which ended in Cologne on March 12, attracted 7,530 trade visitors of which 1,750 were foreigners from 31 countries. The Fair provided a wide collection of fashionable children's wear for the autumn/winter season 1972/73. Participating were 330 exhibitors from 12 countries, and among the 84 foreign exhibitors were 14 British firms. Ten of these participated in the joint venture promoted by the National Childrenswear Association (which had a busy information stand) and the Department of Trade and Industry.

Buyers were registered from countries as far apart as Australia, Japan, North America, Iceland, EFTA and Common Market countries, and British firms were able to book orders from all of these markets.

Good business

Established British exhibitors were able to do better business than in previous years. New exhibitors were generally surprised and pleased at their success in booking business and the many inquiries they received.

The accent of collections on show was in fashion and colour, and a general trend to corduroy and quality Jeans was identifiable. Check designs on various fabrics and in many colour combinations were very prominent.

The fashion show of children's wear, held during the fair, presented an excellent opportunity to see a cross-section of collections. Main emphasis of the show (chosen by trade journalists and designers) was on leisure/play-wear, the design being for warmth and comfort using easy care fabrics in bright colours.

Many visitors

On the British stands both fur coats and duffle coats were very successful. Other children's outerwear, dresses, coats, co-ordinates and knitwear—especially fashionable trendy models—created much interest among buyers. One firm, having designed their merchandise—style, colour, cut—for the export markets, were able to demonstrate their success by receiving a constant stream of visitors and doing excellent business.

Although British firms were exhibiting collections in a wide price range, no stand lacked visitors. One firm, exhibiting its collection of nursery accessories, colourful aprons, soft toys and pyjama cases in the form of animals, was able to take many inquiries, contact potential agents, and book business.

Common Market countries, especially Germany, are still difficult markets for British clothing manufacturers, largely because of the high tariff barriers. Interest from these countries, however, was noticeably greater than in previous years.

Additional buying for food promotion in Denmark

From the British Embassy, Copenhagen

THE first of seven British food promotions during this year's British Trade Drive in Denmark took place from February 12-March 5. It was staged by the Vivo supermarket chain, one of the youngest in Denmark.

Additional buying of British goods amounted to about £25,000. Sauces, tea, biscuits, confectionery, and spirits accounted for most of the money.

All display material, including flags used by the 18 outlets in the chain were supplied by the Fairs and Promotions Branch of the Department of Trade and Industry. A special multi-coloured 'British Week' newletter was published and distributed by Vivo.

The official opening of the Vivo 'Week' took place in Haderslev. This provincial town in Jutland, with a population of 20,000 has a large double supermarket.

On February 16 in Copenhagen a display of men's outerwear in British wool cloth was staged. It was arranged by the British National Wool Textile Export Corporation.

Good attendance at JITEMA

From the British Consulate General, Osaka

THE second Japan International Textile Machinery Exhibition (JITEMA '72), held in Osaka at the Minato Fair Grounds from March 4-13, attracted 241 exhibitors from 15 countries. Sponsored by the trade newspaper *Nihon-Sen-i Shimbun* and supported by the Ministry of International Trade and Industry, the event was seen by 155,750, an excellent figure for a specialist fair.

Among foreign exhibitors, West German companies were most numerous, with Britain, Italy, Switzerland and the United States all prominently represented. Britain was the only country to participate on a national basis, in the form of a joint venture between the Department of Trade and Industry and the British Textile Machinery Organisation (TREX). Companies represented on the stand were Bonas, English Card Clothing, Platt International, Ernest Scragg and Stibbe-Monk. Other British companies displaying their wares on agents' stands included Camber International, Carding Specialists, Ibis Engineers, Modern Rollers and Sewprima.

Reflecting the present priorities in the Japanese market, knitting—particularly circular—and texturing machinery predominated. In the case of the latter, the Japanese seem reasonably confident that some of their domestic machines are up to international standard and, therefore, competitive with foreign machinery.

In the case of knitting machinery, however, the Japanese appear to be lagging somewhat, and their domestic market is open to competition from the foreign companies. In the view of the trade newspaper *Sen-i Kikai Tsushin*, Stibbe-Monk's machines and Platt's Repco spinner merit special mention in this field.

British books a feature of Brussels Fair

From the British Embassy, Brussels

SOME 120,000 books from 1,100 publishing houses were on display on 334 stands at the fourth International Book Fair in Brussels from March 11-19. Scientific and technical books were given particular prominence.

A large number of countries had individual stands, including the United Kingdom, Russia and West Germany. National newcomers included South Korea, Algeria, Denmark, Tunisia and Israel.

Apart from the books, other attractions included a reconstruction of a 14th century paper mill and a lunar rock. Attendance was 116,000, an increase of 15 per cent over 1971.

Special attraction

One of the major features of the event was the 'British Book Stand', a joint venture sponsored jointly by the Department of Trade and Industry and the Publishers' Association, and manned by the Brussels office of W. H. Smith & Son. Eighty British publishers were represented by the 2,000 British books on display.

One feature of the stand, which caught the attention of Queen Fabiola during her visit, was the cassette showing on film some of the works of Beatrix Potter.

Mr. Rowland of the Publishers' Association, expressed satisfaction with the interest shown in British books in general, and in the possibilities of acquiring publishing rights.

Overseas publicity for UK trade fairs

British commercial representatives overseas are keen to publicise UK trade fairs and exhibitions, and welcome posters and brochures from fair organisers. But material must be sent well in advance—at least three clear months ahead of the event—and in sufficient quantity—two or three dozen copies for the representative in each area. A full list of addresses of commercial representatives is published as a quarterly supplement to *Trade and Industry*.

TRADE INFORMATION

Anglo-Hungarian Long-Term Economic and Trade Agreement signed

A LONG-Term Economic and Trade Agreement between the United Kingdom and Hungary was signed in Budapest on March 21 by Mr. Michael Noble, Minister for Trade and Mr. Derek S. L. Dodson, HM Ambassador in Budapest, on behalf of the British Government and by Dr. Jozsef Biro, Hungarian Minister of Foreign Trade, on behalf of the Government of the Hungarian People's Republic. Mr. Noble was spending a few days in Budapest as the guest of the Hungarian Government.

The purpose of the new Trade Agreement is to provide a stable framework within which trade and economic co-operation between the United Kingdom and Hungary can develop with maximum freedom. The agreement records the desire of both parties to promote and facilitate the development of economic co-operation and trade relations between their countries to their mutual advantage and both parties undertake to try to create the conditions for a continuing increase in trade between the two countries, both in goods which have traditionally been exchanged between them and in new ones.

The agreement includes a provision in which both parties recognise the significant role which economic, industrial and technical co-operation may play in the further development of their economic and trade relations. The agreement will run from the time of signature until December 31, 1974. This is in line with current EEC practice concerning bilateral trade agreements with East European countries. The agreement will be accompanied by an exchange of letters formally recording the British Government's intention of eliminating, by the end of 1974, discriminatory quantitative restrictions on imports from Hungary. There is also a declaration by the British side that exceptionally and despite the objective set out in the exchange of letters, certain quantitative restrictions on imports from Hungary may, nevertheless, still have to be maintained for important particular reasons after the end of 1974. The declaration indicates that the British Government will be pepared to discuss such remaining restrictions with the Hungarian Government.

There is a separate Co-operation Arrangement which, unlike the Trade Agreement, will have no fixed terminal date and which records the undertaking of the two Governments to encourage and facilitate the development of co-operation between enterprises and economic organisations of the two countries in the fields of industry, agriculture, trade and technology. Both the Trade Agreement and the Co-operation Arrangement provide for the establishment of a United Kingdom/Hungarian Joint Commission the functions of which will be to undertake reviews of the implementation of the Trade Agreement and also of the 1967 Agreement for Co-operation in the Field of Applied Science and Technology: to supervise and promote the development of economic, industrial and technical co-operation under the Co-operation Arrangement: to carry out the annual discussions about import facilities and to discuss any other questions arising out of the Trade Agreement which may be proposed by either side. The Trade Agreement, the Co-operation Arrangement and accompanying documents will be published in due course as a White Paper.

In many cases further information on the notices published on these pages is available from the Department of Trade and Industry. The main branches concerned are: Commercial Relations and Exports (CRE) Division, DTI, 1 Victoria Street, London SW1H 0ET (Tel: 01-222 7877); and Export Services Division (ESD) and Export Data Branch (EDB), both at DTI, Export House, 50 Ludgate Hill, London EC4M 7HU (Tel: 01-248 5757). In each case, the relevant information source is indicated at the end of the notice by its initials (CRE, ESD or EDB) and the appropriate telephone extension number. In the Tariff and Trade Notices section countries are grouped by continents as far as possible; they are listed alphabetically on the contents page.

Czechoslovakia and Benelux

A THREE-YEAR trade agreement (1972-74) and a protocol covering the exchange of goods in 1972 were signed on January 31, 1972, in Prague between Czechoslovakia and Benelux. Copies of the agreement, the protocol and quota lists (in French) are available.

EDB ext. 288/7175

Yugoslavia, Iraq and Iran: smallpox vaccination

THE Department of Health and Social Security has recommended that travellers to Yugoslavia, Iraq or Iran should have a valid international certificate of vaccination against smallpox, and to avoid inconvenience in travel the same precaution is advised for those travelling anywhere in the Eastern Mediterranean area.

TARIFF & TRADE NOTICES

European Communities

COMMON AGRICULTURAL AND FISHERIES POLICY: The texts of the following Regulations and proposed regulations which affect the various agricultural and fisheries sectors in the EEC have been published in the *Journal Officiel des Communautés Européennes*. It should be noted that the texts of the proposed regulations, when finally approved, may differ from the draft texts. The French texts may be seen on application.

General. The *Journal Officiel* No. C25 dated March 14, 1972, contains the draft text of a proposed regulation relating to procedures for the modification and suspension of customs duties applicable to agricultural products subject to the common organisation of the markets.

Sugar. The *Journal Officiel* No. C25 dated March 14, 1972, contains the draft texts of the following proposed regulations:

(i) amending Regulation (CEE) No. 1009/67 setting up a common organisation of the markets in the sugar sector;
(ii) drawing up rules to be applied in the sugar sector in the event of excessive price rise on the world market.

Fruit and vegetables. Regulation (CEE) No. 512/72 annuls Regulation (CEE) No. 471/72 recording a state of serious crisis in the market for pears. (*Journal Officiel* No. L62, March 14, 1972)

Regulation (CEE) No. 546/72 annuls Regulation (CEE) No. 488/72 recording a state of serious crisis in the market for cauliflowers. (*Journal Officiel* No. L65, March 17, 1972)

Grapes and wine. Regulation (CEE) No. 534/72 completes the list of the varieties annexed to the common quality standard for table grapes. (*Journal Officiel* No. L64, March 16, 1972)

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Milk and milk products. Regulation (CEE) No. 526/72 derogates from Regulation (CEE) No. 1411/71 in so far as it concerns the fat content of half-skimmed and skimmed milk as well as the payment differential of milk used for the manufacture of milk for consumption according to the quality. (*Journal Officiel* No. L63, March 15, 1972)

Fish. Regulation (CEE) No. 490/72 amends Regulation (CEE) No. 170/71 in so far as it concerns the statutory provisions of producer organisations in the fish sector. (*Journal Officiel* No. L59, March 10, 1972) **EDB ext. 7174/408**

IMPORTS FROM NON-MEMBER COUNTRIES: Decision 72/122/CEE authorises Italy to exclude from Community treatment internal combustion piston engines (CCT No. 84.06) and radio telegraphic and radio telephonic transmission and reception apparatus, radio-broadcasting and television transmission and reception apparatus (including those incorporating gramophones) and television cameras (CCT No. 85.15A) originating in Japan and freely circulating in the other Member States. (*Journal Officiel* No. L61, March 13, 1972)

Decision 72/123/CEE authorises France to exclude from Community treatment certain flags and paving, hearth and walled tiles (CCT Nos. 69.07 ex A and B ex II and 69.08 ex A and B ex II) originating in Japan and freely circulating in the other Member States. (*Journal Officiel* No. L61, March 13, 1972)

Decision 72/124/CEE authorises Belgium, Luxembourg and the Netherlands to exclude from Community treatment men's and boys' undergarments including collars, detachable collars, shirt fronts and cuffs, excluding those of silk, silk waste, wool and fine animal hair (CCT No. ex 61.03) originating in Romania and freely circulating in the other Member States. (*Journal Officiel* No. L61, March 13, 1972)

Decision 72/125/CEE authorises France to apply protective measures for live sheep (CCT No. 01.04 A I b) and sheepmeat (CCT No. 02.01 A ex IV) originating in third countries and freely circulating in the other Member States. (*Journal Officiel* No. L61, March 13, 1972)

Decision 72/127/CEE authorises Italy to exclude from Community treatment valves and tubes (CCT No. 85.21 a) originating in Japan and freely circulating in the other Member States. (*Journal Officiel* No. L61, March 13, 1972) **EDB ext. 7174/408**

RULES OF COMPETITION: *Trade and Industry* dated October 28, 1971, contained a notice about an application for clearance of an agreement between the French firms Wild Paris, of Rueil-Malmaison, and E. Leitz-France, of Kremlin-Bicêtre, concerning co-operation and rationalisation in the marketing of microscopes and accessories. The *Journal Officiel des Communautés Européennes* No. L61 dated March 13, 1972, contains the text of the Commission's Decision No. 72/128/CEE, under Article 85 of the Treaty of Rome on this agreement. The French text may be seen on application. **CRE ext. 2354/2355**

HARMONISATION OF LEGISLATION: The *Journal Officiel des Communautés Européennes* No. C26 dated March 15, 1972, contains the draft texts of the following proposed directives concerning the harmonisation of Member States legislation:

(i) relating to reinforced plastic tanks intended for the transport by road of dangerous substances;
(ii) relating to the internal fittings of motor vehicles other than interior rearview mirrors, controls, roof or sliding roof, back and certain parts of seats;
(iii) relating to weights of 1 mg. to 50 kg. of a precision superior to the average;
(iv) relating to the measures to be taken against pollution coming from motor vehicles equipped with diesel engines;
(v) relating to fertilisers.

It should be noted that the texts of the directives, when finally approved, may differ from the draft texts referred to above. The French texts may be seen on application. **EDB ext. 7174/408**

The lists of Tariff, Customs and Import Regulations changes in overseas countries published in this section of *Trade and Industry* sometimes contain words which are registered trade marks in the United Kingdom. So far as is practicable, all lists of goods are checked before publication from this point of view. Items which fall into this category are preceded by the letters rtm. Readers should note that this prefix signifies that the words are registered as trade marks in the United Kingdom but that in the present context are assumed to refer generally to products of the descriptions stated in brackets. While every attempt will be made to ensure that the scrutiny is complete, the lists may contain other words which are registered as trade marks in the United Kingdom or in other countries but which it has not been possible to identify.

Irish Republic

PROPOSED VALUE ADDED TAX: The Irish Republic Government has announced that the introduction of Value Added Tax has been postponed until November 1, 1972. **EDB ext. 466/467**

Spain

COMPENSATION TAX MODIFICATIONS—(HIGH-SPEED ALLOYED STEELS): The Spanish *State Bulletin* of February 21 announced modifications in rates of compensation tax for heading 73·15F giving only the Spanish statistical numbers. These have now been identified as follows:

Tariff no.	Description	Import duty	Compensation tax
73.15. F.1	In blocks, ingots and bulk	18%	12%
F.2	In bars, profiles and shapes	18%	16%
F.3	In hoops, bands, strips, thin plates and foils	20%	16%
F.4	In other forms	20%	17%

EDB ext. 462/471/472/473

POULTRY AND POULTRY PRODUCTS: The Spanish *State Bulletin* of March 14 announced the cancellation of the Import Prohibition Order of February 22, 1971, against poultry and poultry products from England and Wales. Exports of this category must be accompanied by a Veterinary Certificate of Health as hitherto. **EDB ext. 462/471/472/473**

Austria

TELEVISION RECEIVERS: The Austrian Federal Ministry of Trade, Commerce and Industry brought into effect on March 1, a decree concerning the use of the 'Produktdeklaration' sign for television receivers. Its extension to other household electrical appliances is expected to follow in due course. Compliance with the provisions of the decree is voluntary. However, it is possible that the consumer, in the mistaken belief that goods displaying the sign are superior to those not displaying it, will tend to prefer the former. **EDB ext. 460/461**

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Tunisia

GLOBAL IMPORT QUOTAS FOR 1972: The Tunisian *Journal Officiel* of February 4 announced the opening of the following quotas for the import of goods from all countries in 1972:

Tariff no.	Description	Quota (in dinars or metric tons)
04.02	Preserved milk	8,500 tons
04.03	Butter	1,800 tons
04.04	Cheese and curd	2,000 tons
08.01 C	Common dates	P.M.
08.01 D	Bananas	3,000 tons
08.03 B 08.04 B 08.05 D 08.12 B	Dried fruit	300 tons
08.06 A & B	Apples and pears	P.M.
09.01 A	Unroasted coffee	3,200 tons
09.02 A & B	Tea	4,500 tons
09.04 A	Pepper	600 tons
13.02 B, C & E	Gum and natural resins	30,000 dinars
17.01	Sugar	90,000 tons
40.11 B & C	Inner tubes of all types	P.M.
40.11 F	Tyres including tubeless, other than for aeroplanes weighing 15 kg or less	P.M.
48.01 to 48.09	Paper and paperboard in rolls or sheets	2,000,000 dinars
51.04	Woven fabrics of synthetic or artificial fibres: continuous	1,200,000 dinars
53.11 B	Woollen fabric (other than/or blankets)	
55.09	Cotton fabric	
56.07	Woven fabrics of synthetic or artificial fibres: discontinuous	
62.02	Bed linen, linen for table, toilet, office and kitchen; curtains and other furnishing articles except bed sheets	100,000 dinars
63.01	Second hand clothing	300,000 dinars
ex 82.11	Razor blades and blade blanks	P.M.
	Footwear:	
(a)	Women's, leather	3,000 pairs
(b)	Men's, leather	2,000 pairs
(c)	Children's, leather	2,000 pairs
(d)	Rubber slip-on shoes	1,000 pairs
(e)	Rubber working boots for men	22,000 pairs
	Sports footwear:	
(a)	Leather	4,000 pairs
(b)	Dancing slippers	2,000 pairs
(c)	With vulcanized rubber soles	4,000 pairs

P.M. = Pour mémoire (quota may be allotted if necessary).

EDB ext. 420/475

Turkey

GLOBAL IMPORT QUOTAS AND LIBERALISATION LISTS: Following the notice in *Trade and Industry*, February 10, the Turkish list of import goods subject to allocation and the liberalisation lists, covering the whole year, are now available. Copies are obtainable from Export Data Branch. **EDB ext. 420/475**

Ghana

CUSTOMS REGULATIONS: Customs (Amendment) Decree, 1972, published in the *Ghana Gazette* of March 3, amended with effect from February 29 Sections 77 to 79 and Sections 200 and 201 of the Customs Ordinance (Cap. 167). Among other things the decree lays down the procedure for depositing 'uncleared' goods in State warehouses, and the disposal of goods suspected to be uncustomed. **EDB ext. 471/472/473**

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Mauritius

CUSTOMS LAWS REGARDING VALUATION OF GOODS: The British High Commission in Port Louis has recently received a number of complaints about delays in clearance of goods through Mauritian Customs as a result of investigations by the Valuation Branch of Customs and Excise Department into invoice irregularities. Specifically, the Branch is scrutinising trade discounts to ensure that these do not conceal commissions.

Exporters' attention is invited to the following extracts of Mauritian Customs Law, on this subject, observance of which will facilitate customs clearance:

Customs Tariff Act of 1969

Where a fiscal or customs duty is leviable on goods by reference to their value, the value of the goods shall be taken to be the price they would fetch at the time of their removal out of customs control, on a sale in the open market in Mauritius between a buyer and a seller independently of each other.

For the purpose of computing the value of any goods under the preceding subsection it shall be deemed—

(a) that the goods to be valued are to be delivered to the buyer at the port or place of importation, freight, insurance, commission and all other costs, charges, and expenses incidental to the making of the contract of sale and the delivery of the goods at that port of place (except any duties payable in Mauritius and recognised trade or cash discounts, but not any contingent discounts or rebates or buying or selling commission or sample discounts which are shown to the satisfaction of the Comptroller to have been paid to an agent) having been paid by the seller.

No discounts or deductions from the purchase price of any goods chargeable with ad valorem duty shall be allowed unless—

(a) they are shown on the invoice to the satisfaction of the Comptroller;

(b) they are verified by the signature of the seller by whom they have been or purport to have been actually allowed.

EDB ext. 471/472/473/462

Nigeria

RIGHT-HAND TRAFFIC: In a notice published in *Trade and Industry*, March 16, notification was given of Legal Notice No. 12 of 1972, 'Right Hand Traffic Regulations, 1972'. A press announcement of March 13 incorporated the following explanatory paragraph with regard to Section 3 of these regulations: 'For avoidance of doubt the Commission emphasises that this regulation does not refer to commercial vehicles which have already been registered. Such vehicles do not require to be modified in any way and will continue to be licensed by the licensing authorities provided that they are roadworthy. The regulation does not cover motor-cars except those intended to be used for hire, reward or carriage of goods. Steering wheels need not be moved from the right-hand to the left-hand side of vehicles. It is hoped that in the interests of road safety no cars with steering wheels on the right-hand side will be imported in future.' **CRE ext. 3064/3338**

Ivory Coast

IMPORT LICENCES: The Ivorian authorities have issued the following additional instructions for importers when applying for import licences:

1. Each application for an import licence must contain the following additional information concerning the goods to be imported:

(a) Description of the goods
(b) Quantity
(c) Reference or specifications given by the suppliers in the *pro forma* invoice
(d) Unit price
(e) Total price

In addition, the following should be written on the application 'Goods conforming to the attached *pro forma* invoice no. . . . . Dated. . . . . From . . . . . (supplier)'.

2. A *pro forma* invoice in proper form will be enclosed in the application for an import licence.

These regulations apply equally to applications for goods in transit under bond. Applications not conforming to the requirements will not be accepted. **EDB ext. 462/471/472/473**

Kenya

ENTRY PERMITS: Legal Notices 41, 42 and 43 of 1972, published in the *Kenya Gazette* Supplement on March 10, gave notice that under the Immigration Act, certain non-citizens of Kenya employed by specified limited companies and persons engaged in specified categories of the printing and packaging, and building industries must apply for entry permits and dependant passes with immediate effect. The schedules containing the names of the firms and the categories of trades affected may be obtained on request (ref. CRE 22485). It should be noted that business visitors are in no way affected by this notice. **CRE ext. 2226**

Republic of South Africa

CUSTOMS TARIFF CHANGES: The following changes were notified in the South African *Government Gazette* of March 10:

The duty on imitation patent leather and similar covered or coated leather is increased from free to 255c per m^2 less 50 per cent with a maximum of 20 per cent.

Specific provision, at a rate of duty of 20 per cent is made for indicator papers, reagent papers and test papers, printed or unprinted, whether or not put up in booklets, dispensers or the like.

Specific provision, at a rate of duty of 5 per cent (General) and free (Preferential), is made for electric vacuum cleaners, non-domestic.

CANNED CRUSTACEANS: The South African *Government Gazette* of March 10 publishes the amended compulsory standard specification for the manufacture, production, processing or treatment of canned crustaceans. **EDB ext. 471/472/473/46**

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Australia

TARIFF BOARD INQUIRY ON FILMS: The Australian Minister for Trade and Industry has referred to the Tariff Board for inquiry and report the question whether assistance should be accorded the production and distribution of motion picture films and television programmes. This reference is of departmental origin. Details of the tariff items under which the goods are dutiable may be obtained from Tariff Section, Export Data Branch (ext. 468/469/401).

The matter has been reported by the British High Commission at Canberra, which has been asked to notify the Australian authorities as soon as possible of United Kingdom interests proposing to give evidence; notification in this instance must be given to the Australian authorities not later than April 17, 1972. Before that date, therefore, United Kingdom trade associations or firms intending to submit evidence to the Tariff Board should so advise the Commercial Relations and Exports Division, quoting reference number CRE 871/72. Evidence may be submitted to the Tariff Board either directly by the firm or trade association concerned or through the facilities provided by the Australian British Trade Association, 21 Tothill Street, London SW1 (tel: 01-799 7447). **CRE ext. 2318/2319**

New Zealand

CUSTOMS TARIFF INQUIRY—NAFTA, ADDITIONS TO SCHEDULE A: At the request of the New Zealand Minister of Overseas Trade, the Tariff and Development Board proposes to inquire into and report upon the question whether goods listed in the Schedule to this notice should be added to Schedule A of the New Zealand/Australia Free Trade Agreement.

For the purpose of taking evidence the Board will hold public hearings, commencing at 10.30 a.m. on the dates shown in the third column of the Schedule to this notice, in the Boardroom, First Floor, New Zealand Law Society Building, 26 Waring Taylor Street, Wellington.

Fourteen copies of a typewritten statement of the evidence to be tendered should reach Mr. C. H. S. Rodden, Secretary, Tariff and Development Board, PO Box 5070, Wellington, not later than the dates shown in the fourth column of the Schedule to this notice. 'Notes for the Guidance of Witnesses', which indicate the kind of information required and the manner in which it should be submitted to the Tariff and Development Board, can be seen at the Department of Trade and Industry, Export House, 50 Ludgate Hill, London EC4M 7HU (tel: 01-248 5757 ext. 401, 468, 469). Each statement of evidence will in general need to be presented under oath at the public inquiry by the person tendering it.

British producers are reminded that under Article 8 of the United Kingdom/New Zealand Trade Agreement, 1959, they are entitled to full rights of audience before this Tariff and Development Board. Any changes made are likely to remain in force for a considerable period; any exporters whose trade is likely to be affected are urged to consider seriously the desirability of submitting evidence at the forthcoming inquiry.

Firms proposing to give independent evidence through their agents in New Zealand or through the Director of the British Trade Association of New Zealand Inc., PO Box 2286, Wellington, New Zealand (telegraphic address 'Transtrade', tel: Wellington 43-706), and requiring further information should approach the Commercial Relations and Exports Division. (The BTANZ charges a fee for its services, the amount varying according to the work entailed and whether the trade association or firm is a member: details may be obtained from the BTANZ.)

SCHEDULE

Tariff item	Description	Date of public hearing	Date for receipt of representations
ex 29.24.009	Other quaternary ammonium salt and hydroxides	June 7, 1972	May 19, 1972
ex 97.06.029	Swim fins and flippers	June 8, 1972	May 23, 1972

Reference CRE 11678. **CRE ext. 2321**

CUSTOMS TARIFF CHANGES: The New Zealand Government has issued Customs Tariff Amendment Orders Nos. 1972, (2) 1972 and (3) 1972, which came into force on March 3, March 3 and March 10 respectively amending certain items in the New Zealand customs tariff. The chapter headings concerned are: 84.49, 32.10 and 85.21. **EDB ext. 401/468/469**

Canada

SPARKLING CIDER—DUTY REMISSION: The Canadian Government has issued Order in Council P.C. 1972-207 dated February 10, 1972 stating that remission of duty is granted in the case of sparkling cider imported into Canada under tariff items 16501-1, 16502-1, 16503-1 and 16504-1, of $1.79 of the customs duties paid or payable under the Customs Act and 21 cents sales tax paid or payable under the Excise Tax Act.

EDB ext. 455/456/457

RADIATION EMITTING DEVICES REGULATIONS: The Canadian Government has issued regulations, which will come into effect on June 1, 1972, in respect of radiation emitting devices. The regulations relate specifically to television receivers, extra-oral dental X-ray equipment, and their components, and lay down standards of design, construction and functioning. Copies of the regulations are obtainable from Tariff Section, Export Data Branch.

EDB ext. 455/456/457

United States

KANSAS STATE 'BUY-AMERICAN' BILL: This Bill, which was reported in *Trade and Industry*, March 16, page 476, and which if enacted would have meant a ban on the purchase of foreign made goods by the state and state agencies, has failed to pass the Kansas state legislature for this session. **CRE ext. 2647**

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UNITED STATES
continued

VEHICLE SAFETY STANDARDS: In *Trade and Industry*, of December 2, 1970, reference was made to a proposed new standard for warning devices in motor vehicles. A new standard (No.125) has now been announced, which establishes shape, size and performance requirements for warning devices that do not have self-contained energy sources. The devices are carried in motor vehicles to alert approaching motorists to the presence of a disabled vehicle. As the standard has been issued later than anticipated, the effective date has been extended from January 1, 1972, to January 1, 1974. (FR 9-3-72) **EDB ext, 455/456/457**

MOTOR-CYCLE BRAKE SYSTEMS: Performance requirements for these systems have now been established which cover all aspects of brake safety, and set equipment and performance requirements appropriate for two-wheeled and three-wheeled motor-cycles. The effective date of the standard (No. 122) is September 1, 1973 (FR 9.3.72).

HAZARDOUS SUBSTANCES: *Trade and Industry* of November 18, 1971, and March 16, 1972, referred to a proposal to require special labelling of certain paints and other surface coating materials. The Commissioner of Food and Drugs now finds that to protect the public adequately, such substances which contain lead should be declared as banned hazardous substances; this will also ensure that these products cannot be used on toys or other children's articles. Petitions proposing amendment of the regulation will be considered and should be submitted (six copies) by April 10, 1972, to the Hearing Clerk, Department of Health, Education and Welfare, Room 6-88, 5600 Fishers Lane, Rockville, Maryland 20852. Subject to any objections the effective date of the order is April 25, 1972. (FR 11.3.72) **EDB ext. 455/456/457**

PACKAGING STANDARDS: The United States Commissioner of Food and Drugs has concluded that young children are at risk from household products containing a certain percentage of sodium and/or potassium hydroxide. He therefore proposes that these household substances should be specially packaged. Comments should be submitted (preferably in quintuplicate) by May 8 to the Hearing Clerk, Department of Health, Education and Welfare, Room 6-88, 5600 Fishers Lane, Rockville, Md 20852. (FR 9.3.72) **CRE ext. 2397**

Reprints of 'T & I' articles

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Colombia

APPOINTMENT OF AGENTS: Agency arrangements are covered by Articles 1317 to 1331 of the New Colombian Commercial Code. Agency contracts have to be submitted by local representatives of foreign principals *inter alia* for inspection by public authorities calling for bids by tender. In this connection there have been some instances of such contracts failing to be set out in the correct form. Accordingly any British company having a formal agency arrangement with a Colombian concern should, in its own interest, get in touch with the company concerned to check that the contract fulfils the requirements of the Commercial Code. A copy of the code is currently available for inspection in Export Services Division and will shortly be put on loan to firms which apply.

EDB ext. 477/354

Uruguay

SPECIAL CONCESSIONS FOR 1972 AMENDED: Uruguayan Decree No. 893/971 authorised the importation of 'jute fabric' to be free from import duties, taxes, surcharges and prior deposits for the period of 1972. Subheading (b) of this decree has now been amended to read as follows: 'Sackcloth of jute and raw materials for making synthetic sackcloth ("poliolefines" falling under subheading 43.322 of the Uruguayan Import List)'.

EDB ext. 474/476/7312

Peru

PROHIBITION LIFTED ON VALVES, COCKS AND TAPS: Peruvian Supreme Decree 007-72-IC/DS removes until December 31, 1972, the prohibition imposed on the goods listed below by Supreme Decree 123-70/EF of June 3, 1970.

Tariff no.	Description
84.61.1.01	Valves, cocks and taps
84.61.3.01	Parts and accessories for valves, cocks and taps

The Directorate General of Industries of the Ministry of Industry and Commerce will fix the quantity, quality and specifications of valves, cocks and taps which are to be imported.

EDB ext. 474/476/7312

Chile

GOVERNMENT OWNERSHIP IN BUSINESS ENTERPRISES: A notice was published in *Trade and Industry*, December 9, 1971, about a project of law defining Government ownership in business enterprises. At that time the Chilean President said that the proposed law would affect only 150 firms out of a total of 35,000 in the private sector. On January 14, 1972, however, the President announced a new list of only 91 firms which would pass into public or 'mixed' ownership. The Government appear to have chosen firms which are large or have a strategic hold on other business enterprises. CORFO, the State Development Corporation, has assumed the authority to begin buying shares in relevant companies. **CRE ext. 2289**

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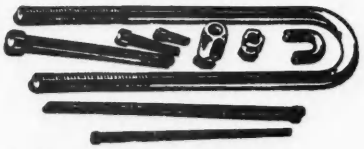

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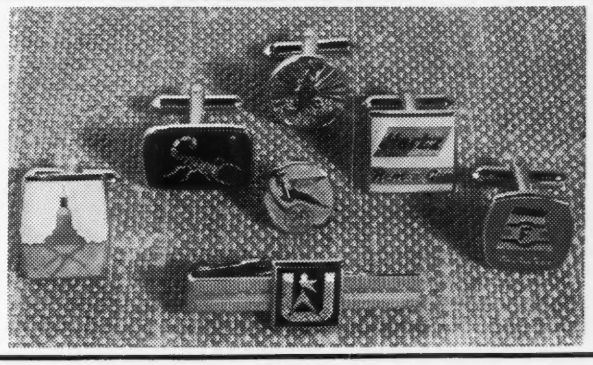

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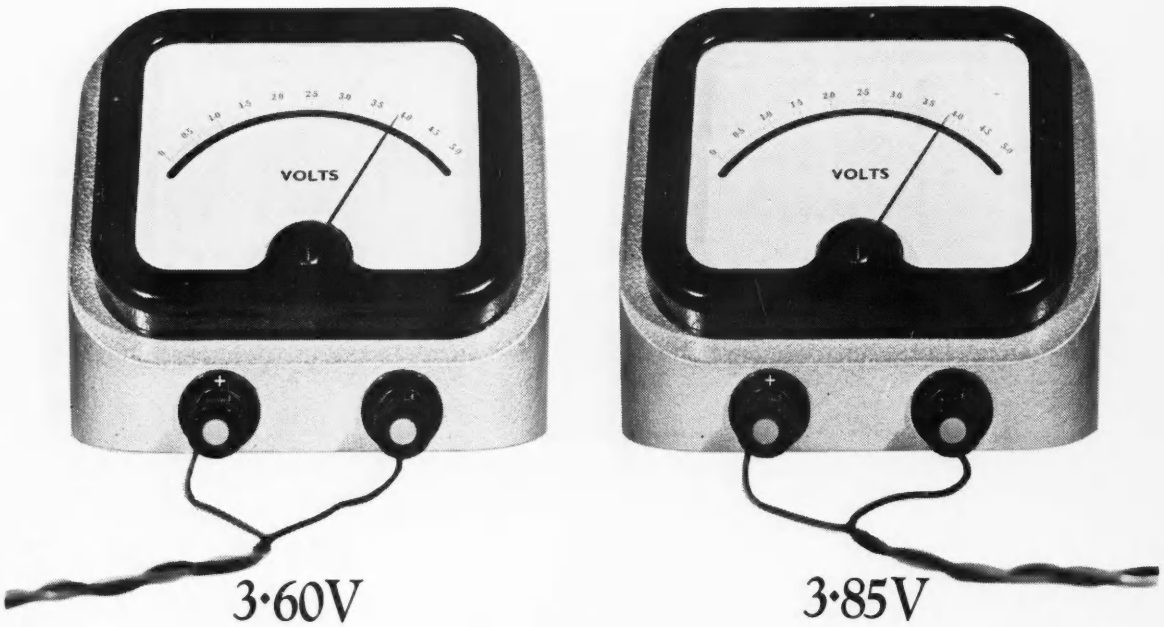

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